Page 1 *Governments Gamble in Power and Wheat* **Page 9**

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Canada Sinks Millions in Wheat Mine

Plain Gambling

Reflation Holds Possibilities for Much Good or Much Evil

Blunder in Wheat Proves Expensive

THE details of the Canadian government's enormous speculation in wheat still remain a public mystery even after Prime Minister Bennett's statement on it in the House of Commons. But while Mr. Bennett evaded giving the taxpayers of the Dominion any facts regarding the government's attempts to control the world price of wheat, on the ground that no good purpose could be served by going into details, he made some very illuminating statements.

In the first place Mr. Bennett admitted that the government had undertaken to provide for the wheat market the cushion that is ordinarily supplied by the speculative trader. It is almost axiomatic in wheat trading—although vehemently denied by certain propagandists who set out to befuddle the farmers—that if there were no such thing as the speculator in wheat, it would be necessary to create a speculative element. Since government attempts at price control in the United States and Canada have effectively destroyed the interest any speculative element might have in wheat trading, Prime Minister Bennett has apparently found it necessary for the government to indulge in a little gambling on its own account and it has risked millions of dollars of the taxpayers' money in this high and exciting adventure.

* * *

WHAT has actually happened has to be pieced together from the scattered bits of fact vouchsafed by the prime minister and the more or less open secrets of the world wheat trade.

In 1929, it will be recalled, the three western provinces nearly ruined their credit by backing wheat loans at the banks and when the 1930 crop came to be harvested they were helpless to provide any further guarantees. Of course, no guarantee was ever necessary as the private grain trade and what was left of the pools could have financed the entire Canadian crop of that year had the pools been willing to "hedge" their grain as the private companies always did. But it was felt by the farmers that if some paternal government were to guarantee their bank loans the price could be held up and a slower liquidation of the crop enjoyed. The Dominion government blundered into this morass and gave a guarantee of all bank loans to the central selling agency of the pool.

The essential argument offered at the time in justification was that, barring government intervention, wheat would have to be dumped at slaughter prices. Prices much lower than the slaughter prices have since been reached in any event. The gamble has not even accomplished its purpose.

* * *

THE public does not know how much of the 1930 wheat, on which the loans were guaranteed by the government, has been sold and to what extent the bank loans are still outstanding. Mr. Bennett did not give any information on this point. But it is generally understood that John I. McFarland, working for the government, has sold his wheat for cash and bought back futures options. To the extent that he has merely replaced his original physical wheat with options for an equivalent amount, he has not been gambling to any greater extent than if he continued to carry the wheat itself. In fact it has given him opportunity, through careful switching of options, to reduce his net carrying cost and it is understood that Mr. McFarland has been rather successful in this phase of his work.

Now, two years after the great gamble was entered into, the present book loss of the government may be taken to be approximately the sum of two figures: first, the amount by which the wheat has sold below the amount advanced by the banks; second, the net cost of carrying the wheat or transferring the options in the interval. As Mr. Bennett has not presented the public with any figures as to the amount of this paper loss, the public has naturally indulged in some guess work. The prime minister stated that it has been the government's business to see that the "ultimate" loss should not exceed the cost of a five cent bonus on this year's crop. What connection there is between a guarantee of bank loans on the 1930 crop and

(Continued on page 2, col. 3)

FINAL EFFECT OF INFLATION MUCH IN DOUBT

Further Credit Easing Improbable Before World Economic Conference

MUST CIRCULATE

Addition of $35,000,000 in Dominion Notes of Little Value if Banks Cannot Use It

Widespread speculation and discussion has followed action of the federal government in expanding bank credit by $35,000,000 in Canada.

By embarking on a policy of "reflation," "easy money" or "mild inflation" the Canadian government has caused a subject hitherto much talked about but largely academic, to become very much a matter of dollars and cents and something affecting the pocket of every Canadian who has goods to sell or assets (tangible or intangible) in this or any other country.

Is World Problem

Now that the temporary flutter in wheat prices, foreign exchange and Canadian bond prices in New York has subsided, little groups of men from Montreal to Grande Prairie are discussing the pros and cons of the new monetary policy and are attempting to estimate the immediate and long run probabilities of this move that makes Canada an active participant in a policy which looms as one of the most important ones to be discussed at the coming World Economic Conference—namely the need and possibility of restoring world trade and commerce and price levels by the application of artificial monetary measures. It seems impossible that any further monetary action will be taken by Canada prior to the world parley.

In simplest terms the recent action of Ottawa in requesting Canadian banks to rediscount a $35,000,000 short-term federal loan is merely to attempt to pump new money — easy money — into the body corporate of Canadian business.

The actual transaction itself which was outlined in detail in last week's The Financial Post was not unusual in itself. It has probably been done before many times in the boom days of 1927 to 1929 but on these occasions the rediscounting on the part of the banks had been done because they needed the additional currency (Dominion notes) to support the insistent and increasing demand for credit on the part of Canadian business.

This time, however, there was no such demand on the part of business so the Canadian government asked the banks to go through the same motions as they had been accustomed to in the boom days, and thus obtain (in return for their two-year loan to the government) $35,000,000 of Dominion notes which so far has merely added considerable liquidity to an already highly liquid financial position.

Another angle of the transaction is that the federal government has actually endorsed and in fact initiated a plan which if it were carried out by chartered banks would be definitely frowned on and probably prohibited by Ottawa. That is to say while banks are permitted to rediscount securities and commercial paper at Ottawa to finance the seasonal movement of business, they are discouraged from borrowing when there is no such demand and when their only purpose would be to reinvest the money elsewhere at a higher rate of interest.

Two Outlets Available

To be of value in easing credit this new currency must be put into circulation, and as banks cannot afford to keep too great a proportion of their assets in liquid assets of this type they will naturally try their best to find an outlet for it.

This could be done in either of two ways. The banks could purchase bonds or securities with the new currency, in which case the effect on Canadian credit would be limited to a direct dollar for dollar result; or secondly, and better still they could attempt to put the money to use in commercial and other loans which would result in an expansion of credit of roughly 10 or 11 dollars for every dollar of new currency used. This latter

(Continued on page 5, col. 6)

Bennett Confession of Huge Wheat Loss Gives Ottawa Shock

Fierce Attacks on Policy Certain to Come Soon

LOSSES ARE HUGE

Total, When Accounting is Finally Achieved, May Amount to Many Millions of Dollars

From Our Own Correspondent

OTTAWA.—Regardless of how the country views the efforts, in the past two years, of the federal government to support the wheat market and to dispose of the old wheat pool carry-over at a profit, Parliament was profoundly shocked by the disclosures made Monday by Premier R. B. Bennett.

This statement gave the broad lines upon which the government has been proceeding but did not give the facts that are essential to a sure estimate of what the losses to the national treasury ultimately may be. Mr. Bennett said that he did not anticipate losing more than the treasury would spend on a five cent wheat bonus—which works out at about $17,500,000.

Losses May Be Large

One Ottawa guess is that the government today holds about 125,000,000 bushels of wheat. Carrying charges on this grain exceed $1,000,000 per month, so that if ultimate liquidation is long delayed the grand total deficit which the taxpayer will be called upon to meet will be very large.

Even those who view these activities with greatest alarm do not question the motives of the administration. The object has been to assist Western farmers and in this way to benefit the country at large. A case can be made out to the effect that substantial benefits already have been conferred. It may be argued that the intervention of the government has prevented further deflation of wheat prices. But the real point, in the view of those who criticize the policy, is whether or no this ultimate deflation can be avoided. Will it not come in spite of the government's expenditures? In the end will not the treasury have to put up thirty or forty millions and the farmers still take the full brunt of over-production?

Big Political Issue

Under any circumstances the intervention of the government in the grain trade is bound to become a first class political issue. Eastern members of Parliament, chiefly of Liberal persuasion, are declaring that these operations are a public scandal, a misuse of state credit and cash. Undoubtedly a full enquiry will be demanded and the soundness of the policy challenged.

The line that criticism will follow already is clearly in evidence. Mr. Bennett and his cabinet used public money for purposes of buying and selling wheat under the authority of the 1931 and 1932 Unemployment and Farm Relief Acts. It is contended that Parliament when it passed these statutes had no idea that this legislation would be put to this use—even though its powers were very broad.

Should Have Sold Wheat

In December, 1930, John I. McFarland was placed in control of the pool carry-over, given Federal bank guarantees enabling him to obtain unlimited credit. The contention will be that he should have liquidated this carry-over as expeditiously as possible, taken the loss and retired from the grain business. Instead of doing so, however, Mr. McFarland—as clearly indicated in the Bennett statement—converted his wheat into futures. Here, it is said, the element of speculation entered. By this act Mr. McFarland revealed, clearly, an intention of holding for higher prices, of attempting to win back some of the previous losses.

Thereafter, it is argued, the pressure toward larger speculations became irresistible. Mr. Bennett argued that failing normal buying strength in the "hedges" market the present crop could not have been sold unless prices had slumped below forty cents. This normal support comes from two sources—the ordinary grain trade and speculators. The ordinary grain trade comprises millers and foreign importers. Speculators embrace every

(Continued on page 2, col. 5)

Muirheads Offers New Low Cost Meal

Following a policy of adjusting prices of meals in line with reduced prices of foodstuffs and public demand, the management of Muirhead's Cafeterias Ltd., has recently instituted a new 25 cent combination luncheon that has brought increased patronage and satisfactory increase in dollar volume. As a result current sales are ahead of the same period in 1931 although volume for the year is lower. Cash and investments of the company total over $90,000 and ratio of current assets to current liabilities is four to one.

Payment of the preferred dividend due November 1 was passed due to drop in earnings in the current year although the company had sufficient surplus to meet dividend requirements. Directors are unwilling to impair surplus at this time.

CAN. CELANESE HOLDS PROFIT AT HIGH LEVEL

Expect Decision Shortly on Preferred Stock Arrears

From Our Own Correspondent

MONTREAL. — Favorable consideration is understood to have been given by the directors of Canadian Celanese Ltd. to the matter of cleaning up the arrears of dividends on the preferred stock. Regular dividends are now being paid, but at the end of last year arrears totalled $29.75 a share.

On more than one occasion the management has informed the shareholders that as soon as conditions and earning power warranted, steps would be taken to see that the arrears were paid off. Last year the income account statement revealed satisfactory earnings, while the balance sheet showed a strong liquid position.

Conditions Favor Action

Since then operations have been maintained at a high level and earnings have not shown any signs of declining. If business continues to hold up it is believed that in the near future an announcement will be made by the directors on the dividend arrears.

There is no indication of the manner in which the management will clean up the preferred dividend arrears. It is recalled that a somewhat similar position existed in respect to American Celanese. In that case the arrears were cleaned up quickly once the directors decided to take action.

Arrears Total $2,677,500

At present Canadian Celanese has outstanding $9,000,000 of 7 per cent cumulative preferred stock, on which the annual dividend requirements amount to $630,000. The arrears of dividends at the end of last year aggregated $2,677,500.

As the company has no bonds all of its operating income, after provision for depreciation, is available for distribution on the preferred stock. Until the end of 1930 no dividends were paid, so that the company has been able in the meantime to build up a surplus of $1,730,478, of which $339,530 is a paid in surplus and the balance an earned surplus.

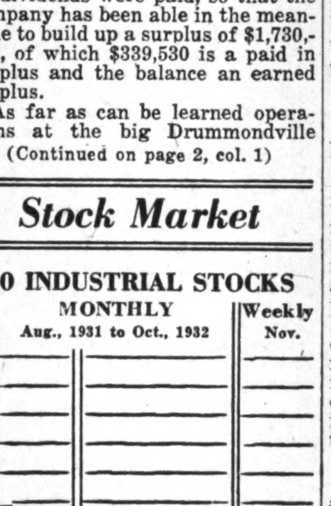
As far as can be learned operations at the big Drummondville

(Continued on page 2, col. 1)

Stock Market

20 INDUSTRIAL STOCKS

MONTHLY — Aug., 1931 to Oct., 1932 | Weekly — Nov.



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Nov. 15	30.3	29.0
Week of Nov. 8	30.0	26.6
Month of Nov., 1931	41.6	34.9
8 Bank Stocks		
Week of Nov. 15	168	165
Week of Nov. 8	171	164
Month of Nov., 1931	216	216
10 Public Utilities		
Week of Nov. 15	48	46
Week of Nov. 8	47	44
Month of Nov., 1931	62	57

OTTAWA URGED TO MAKE JAILS LARGER, BETTER

Inadequate, Over-crowded Fire-traps Make Real Building Shortage

WOULD MAKE WORK

Investigation of All Public Buildings For Fire Hazards Advised—Why Wait For Disaster?

Recent riots at Portsmouth and St. Vincent de Paul penitentiaries are believed by builders to indicate plainly the inadequacy of accommodation of institutions of the kind in Canada. It is not only that tobacco, food, furnishings and bedrooms are not quite up to what the well-to-do get at the Royal York, the Chateau Laurier, the Chateau Frontenac, the Windsor Hotel and other chief hostelries through Canada, but newspaper reports have convinced the industry that there has been overcrowding of a very dangerous kind.

Representations have even been made at Ottawa on behalf of the Canadian Construction Association representing chief builders and contractors of Canada, by J. Clark Reilly, general manager, that there is urgent need for reconstruction of old buildings and construction of new buildings along fire-safe lines. Some of the newspaper accounts state that prisoners were compelled to sleep in the corridors at Kingston and the warden at St. Vincent was quoted as saying that the prison was built for a certain number of prisoners and there were considerably more there than that number at present.

Fireproof Prisons Needed

It is also urged that accounts, have shown that it is easy for convicts to set fire to portions of the buildings and that these buildings burned quite readily, a situation which should not exist in an institution of this character. If the living quarters and sleeping quarters of the convicts are of similar construction it is stated that tragedies might have occurred much worse than those which have been recorded. Some of the buildings at Kingston are stated to be from 70 to 100 years old. No change in management and methods could make up for inadequacies of this kind. In face of this situation a dispatch from Ottawa states that the only penitentiary construction intended by the Department of Justice is one for the necessary accommodation of Doukhobors of British Columbia. The sum set aside is $209,350.

Want Building Started

The Canadian Construction Association may be considered an interested party in claiming that the Government should spend money in this way. But its manager suggests that an impartial commissioner, Government employee or body should study the needs and report. The association has been urging on the government that every possible building should be undertaken to provide work for skilled workmen and relieve unemployment among common laborers. Ever since the depression assumed serious proportions it urged that the present is an advantageous time to engage in these types of construction owing to the low level of material prices, efficiency of the workman and the willingness of the contractor. It has claimed that though governments should be economical, the long view of true economy would lead to absolutely necessary work being done under present advantageous conditions.

It has unfortunately been the case in modern annals that the principal advances in fireproof construction have been made only after some disastrous fire in a motion picture theatre, a school or a hospital. Prisons, somehow or other, have lain outside of the general thought of the public, but there are deep social reasons why they should be adequate as well.

Investigation Asked

The Dominion Fire Commissioner has been asked whether he intends to make an investigation and a report as to jails and penitentiaries throughout Canada with a view to finding out whether they are fire-safe. Prisoners, if housed in buildings that are not fire-safe, are in a much more deplorable condition than ordinary mortals as they are locked in and depend on the action of their guards to be given a chance for their lives in case of fire. Even if the residence buildings are more or less modern in some jails, reports in the daily press make it plain that the workshops are not fire-safe.

Investigation Suggested

It is urged that an investigation into government buildings with the idea of seeing whether they are fire-safe or not should not stop at jails and penitentiaries. It should include mental hospitals here and there throughout Canada.

In a time of stress such as the present, jails and prisons are taxed much more than in times when employment is the rule. The Governor of a Western Canada jail is reported to have been asked by a deputation of unemployed if he would permit them to sleep in the corridors of his jail to avoid the cold weather. He replied that he could not throw it open to any but criminals sent to him by the police or the courts. The men are reported to have retired to discuss the advisability of committing offences sufficiently illegal to ensure their getting shelter and food.

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

"Reflation"

Will Canada show enough self-control to keep inflation in control and therefore benefit rather than lose by it? One of many important points discussed in several important articles. The national issue, "The Nation's Business" page 2; the investors side of it and the business side of reflation. Page 1.

Huge Gambles

Ottawa gambles untold millions in wheat operations. Page 1; also "The Nation's Business." Ontario gambles in power developments in Northern Ontario and now makes desperate effort to invade field of private power company to justify its Abitibi Canyon purchase. Pages 9 and 16.

Slow Moving Loan

The public has been assured that the Government loan was a success but the practitioners of finance know better. Frankly The Financial Post gives four reasons for its comparative failure. Page 1.

How Many Jobless?

An analysis of the census figures of unemployed persons in Canada. Nearly 400,000 have no jobs at all. Page 4.

Roosevelt Policies

Constructive policies likely under new president and in coalition interregnum but will be slow in development. "The World at Large." Page 6.

Heavy School Costs

Victor Lauriston gives a case history of a typical Canadian municipality to show the real reasons why the cost of education has mounted to such heights. Page 13.

Central Bank

A. F. W. Plumptre concludes his series of seven articles on a central bank for Canada with a review of the pro's and con's of the argument. He gives also his own views. Page 9. J. A. McLeod, president, Canadian Bankers' Association, in annual review, gives bankers' opinion on a central bank for Canada. Page 3.

Exchange Situation Affects Maritimes

Disparity Between Canadian Dollar and Pound Sterling is Limiting British West Indian Trade

From Our Own Correspondent

MONTREAL.—Maritime export and shipping interests have more than an academic interest in the exchange situation. It is a real problem to them for over the past year, and more particularly of late, trade has shown marked signs of dwindling. The cause is attributed to the fact that the foreign buyer is not in a position to pay the premium on Canadian funds.

This state of affairs applies with particular force to the British West Indian trade. Under normal conditions the Maritimes developed an extensive trade with that market. Potatoes, lumber, rubber products, cement, fish and other commodities found a ready market in the West Indies. In turn Canada purchased sugar, fruits and other tropical products.

Treaty Was Help

The Canada-West Indies trade treaty, entered into a few years back, stimulated trade. Among other things it provided for a preference on British West Indian sugars, as well as a subsidized steamship service. All went well until Britain went off the gold standard. With the pound sterling the official currency in the islands, buying power became limited when purchases were made in Canada or other countries necessitating the paying of a premium on funds.

The preference given by Canada to the British West Indies on sugar continued to hold a large share of the trade, inasmuch as this was the principal market for the product. Tropical fruits also played an important part in the northbound traffic.

The southbound traffic has gradually lessened as British West Indian importers have diverted their buying to other quarters were purchases can be made on more favorable terms.

Trade Value Drops

Official figures on current trade between Canada and the British West Indies do not fully portray the situation that has developed in recent months. During the 12 months ended September, 1931, Canada imported goods to the value of $12,010,600 from the British West Indies and exported to the same area products worth $7,572,200. For the corresponding 12 months of 1932 imports totalled $10,556,900 and exports $5,599,100.

In the last two weeks The Financial Post has had occasion to investigate at first hand the export trade situation between the Maritimes and the British West Indies. The findings are of interest. They clearly indicate that the disparity between the pound sterling and the Canadian dollar has many drawbacks from the Maritime point of view.

Differences in Trade

For years one of the best markets for Maritime potatoes was in the British West Indies. Large quantities are still marketed there; but the Dutch potato apparently enjoys almost a virtual monopoly in Barbados and Trinidad.

Nova Scotia fish dealers do not depend upon the West Indies as a market, owing to their inability to compete with Newfoundland and foreign shippers.

Canadian flour millers are concerned over their position in the British West Indies market. Formerly this area constituted one of the more important outlets, but this year the English miller has secured a firm foothold in the Crown colonies.

Both the cement and paint trade is drifting to England.

Canadian manufacturers of rubber footwear once marketed large quantities in the British West Indies, but now the islands are buying from Japan.

Hold Own Here

On the other hand, Canadian shippers of automobiles, newsprint, automobile tires and a few other products are maintaining their position in the British West Indian markets.

In so far as the southbound traffic is concerned, Canadian shippers have suffered heavy losses primarily due to the Canadian dollar selling at a premium.

Northbound Traffic

The situation in respect to northbound traffic is now undergoing a change which will likely become more pronounced over the next 12 months. One of the principal cargoes despatched from the British West Indies to Canada is sugar. This is the principal contact of trade between the two areas.

Since 1926 the British West Indies have had a preference of $1 per 100 pounds of sugar in the Canadian market. Since 1925 the United Kingdom preference on Empire raw sugar had been 3/9 per cwt. With currency at par it was obviously more favorable for the British West Indian planter to market his output in Canada.

Since Britain went off the gold standard the relationship between the two preferences has been directly influenced by the variations in value of the pound sterling and the Canadian dollar.

Last April the British budget changes included an increased preference on colonial raw sugars. The preference was increased by one shilling and in addition thereto the same sugars in limited quantities received an extra shilling preference, or 5/9 in all on the latter category. The limited quantity entitled to the latter preference amounts to 275,000 tons for 1932, of which amount 139,200 tons is allocated to British Guiana and the British West Indies.

These changes in the British preference are fully expected to

(Continued on page 2, col. 6)

FOUR FACTORS RETARDED SALE DOMINION LOAN

Campaign is Not Fair Indication of Canadian Credit Position

OBJECTIVE REACHED

Low Coupon Rate, Close Pricing and Currency Inflation All Proved Handicaps

The relatively poor reception accorded the recent Dominion of Canada bonds by Canadian investors is generally admitted to be far from original expectations. After the sales campaign dragged through a period of three weeks the minimum amount asked of $80,000,000 was barely reached despite the fact that $25,000,000 of this total was in three-year bonds which were readily over-subscribed. It is usual for such a piece of national financing to be so arranged that the subscription books can be closed before the allotted time. This procedure is expected to have, and often does have, the effect of showing foreign investors that the nation's credit is sound. If it were not for other important factors the effect produced by the recent loan could not be regarded as a particularly good testimonial to Canada's credit position.

The mechanics of handling the Dominion of Canada four per cent loan of 1932 were largely similar to methods used in the Conversion Loan of November, 1931. The Canadian chartered banks with nearly 4,000 branches, the investment bankers and bond dealers of the Dominion and the trust and loan companies all co-operated with the government in a nation-wide campaign attended by a great deal of publicity in an effort to place the new bond issue with the investing public. Carefully organized and efficiently operated through experienced committees, the disappointing result of the campaign can hardly be blamed on the selling organization which in a large degree was directly interested in the success of the campaign.

Four Adverse Factors

Four major factors appear to have been chiefly responsible for the lack of enthusiasm on the part of investors. These factors all depended on the judgment of either the federal government or its advisers. These four governable factors were: (1) the coupon rate of four per cent; (2) the price at which the 20-year bonds were offered; (3) the low commission payable to dealers and their agents; and (4) the action taken by the government in instituting a policy of currency inflation coincident with the offering of the bonds. Other factors of importance were present and, being without the power of the government to change, should have governed the decision as to various details of the loan, in the opinion of bond dealers. Among these ungovernable factors can be included the reduced purchasing power of the people of the Dominion and the rapid appreciation in bond prices in the four months preceding the loan.

The four per cent coupon rate on the new bonds rendered the bonds extremely difficult to sell to many investors who, during the past year, have become accustomed to see provincial bond issues carrying a 5½ per cent and six per cent coupon rate, brought out at a discount. The National Service Loan bonds carry a five per cent coupon, the 1931 Conversion Loan bonds a 4½ per cent coupon, while only one long-term Canadian issue since before the war has carried a four per cent coupon and that issue, made in 1930, was largely sold in the United States. Responsibility for the four per cent coupon on the recent loan would appear to rest on the shoulders of the representative group of investment bankers who were advising the government and it is understood that this advice was influenced by the opti-

(Continued on page 5, col. 5)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Avon River Pwr. 4
Brant. Cordage . 11
Canada Life . . . 12
Candn. Vickers . 9
Consumers' Gas . 9
Confed'n Life . . 12
Canada Cement . 11
Candn. Car . 4, 11
Candn. Oil . . . 11
Can. Celanese . . 1
Candn. Bronze . 1
Dominion Motors 11
Distillers Corp. . 5
Donnacona . . . 8
Dom'n Bridge . . 4
Dominion Coal . 8
Eaton Realty . . 11
Ford of Canada . 11
Gt. West Life . . 13
Imp. Tobacco . . 8
Int'l Milling . . 9
Imperial Oil . . 2
Johnston Storage 15
Loew's London . 15
London Life . . 4
Muirhead's . . . 1
Mtge. Fin. Corp. 3
Nor'west Pwr. . 4
Nat. Distilleries 4
Niagara Wire . . 9
Price Bros. . . . 8
Pacific Mills . . 8
Sun Life . . . 4, 12
Simpson's . . . 11
Shawinigan . . . 14
United Amuse. . 3
Winnipeg Elec. . 4
W. Koot. Pwr. . 4

MINES AND OILS

Arntfield Mines 16
Beattie Gold . . 16
Eldorado Gold . . 16
Granby Cons. . . 16
Hollinger Cons. . 16
Imperial Oil . . 2
McKinley M. . . 16
Noranda 2
Parkhill Gold . . 16
Royalite Oil . . 16
Sullivan Cons. . 16

QUOTATIONS

Bonds 14
Grain 14
Stocks 14
Mines 15

REGULAR DEPARTMENTS

Answers to Enquiries 11
Business 7
Banking 12
Editorial 6
Insurance 12
Mining 16
Utilities and Transportation 4

Canadian Bronze Covers Common Stock Dividend

From Our Own Correspondent

MONTREAL.—Earnings of Canadian Bronze Co. to date have been in excess of dividend requirements on the common stock and it is expected that returns for the full year will be on a level comparing with those reported in 1931, namely, $1.66 a share on the 80,000 shares outstanding. The present dividend rate of $1.25 has been maintained since November, 1931, prior to which $2.50 a share had been distributed.

Operations of the company this year are considered as satisfactory in view of business conditions. A large proportion of Canadian Bronze's business comes from the railways to whom they supply bronze bearings, bushings and castings. The amount of new railway rolling stock ordered this year has been negligible. At the same time, however, replacements have been on a fair scale. This business, together with other industrial orders, have enabled the company to keep its operations at a fair level throughout the year.

Contracts are held by the company with the Canadian Pacific Railway, and with the Canadian National Railways for its divisions from the Pacific Coast to Belleville, Ont. The company also supplies the Temiskaming and Northern Ontario Railway, and the Michigan Central, Pere Marquette and Wabash railway lines in Canada.

Total of Civil Servants Gradually Coming Down

For the first time in 20 years there has been a decrease in the strength of the Federal Civil Service. First fruits of the Bennett government's policy of retrenchment are the retirement in the year ended March 31, 1932, of 1,001 civil servants. This, it is true, is only about the normal number of retirements from the army of 42,000 persons who work for the Dominion.

But coupled with these retirements is the strict policy of making no new appointments and of abolishing all vacant positions. The former policy has been in effect several months, the latter was ordered in last June. The normal additionals of nearly 2,000 persons to the Federal pay-roll, therefore, have been materially reduced. And, further, the ordinary promotions have been denied, and statutory salary increases will cease as at March 31, 1933.

The result will be to clip about 2,000 persons off the strength of the civil service, to cut the cost to the taxpayers by about $5,000,000 per year. The cost last year was $95,000,000.

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ARCH PRESERVER SHOE TRADE MARK REG. CANADA

SECOND FLOOR, QUEEN and JAMES STREETS

THE T. EATON Co LIMITED

CAN. CELANESE HOLDS PROFIT AT HIGH LEVEL

(Continued from page 1)

plant of Canadian Celanese have kept up remarkably well this year, with current activity on a 24 hour basis. Production and sales up to the end of August had been on a basis comparing favorably with those for the corresponding period of 1931.

September business was unusually good and it is understood that profits on operations were well in excess of that reported for September, 1932.

Higher Income Possible

Cumulative returns for the first nine months of the current year are understood to be ahead of those last year. If income is maintained during the balance of the year, it is likely that the company will be able to report net operating revenues in excess of those for 1931, when they totalled $1,260,449. After taking care of senior charges, this was equivalent to $8.95 a share as against dividend requirements of $7 a share.

Strong Balance Sheet

The balance sheet of the company is also said to have undergone improvement during the current year. There are no bank loans on the books, while the liquid position is relatively strong. The company has substantial sums invested in Dominion Government and other securities, while current liabilities are only a few hundred thousand dollars.

At the close of 1931 Canadian Celanese reported current assets of $3,306,695 and current liabilities of $303,418, leaving a net working capital of $3,003,277.

Demand for the company's products has kept up remarkably well this year. Though there has been some slackening off in orders since September, it is pointed out that the latter was an exceptional month when it was not possible to fill all orders. The available business warrants operating the plant at full capacity. Stocks of goods on hand are said to be limited.

Stock Reflects Betterment

The steady improvement which has taken place in the company's operating position and earning power over the last two or three years has attracted attention to the company's stock marketwise. Originally offered at par and a small bonus of common, the preferred stock has sold at a discount since 1928. It touched a low of 43 in 1929. Last year the price range was from a low of 59 to a high of 73½.

Greater strength has been shown this year and lately the preferred stock touched 81, the highest price in the last four years.

The First Office of The Royal Bank of Canada—Halifax, 1869

Since 1869

The Royal Bank of Canada is typical of Canadian progress. Starting as a small local bank in Halifax, it has moved steadily forward through the various booms and depressions of the past 63 years. In enterprise, experience and established strength, The Royal has long been recognized as one of the great banking institutions of the world.

The ROYAL BANK OF CANADA

CAPITAL $35,000,000 RESERVES $39,155,106 ASSETS over $725,000,000

The Nation's Business

(Continued from Page One)

a bonus on the 1932 crop is not clear, but passing that fact by without further comment, the estimate naturally follows that the government does not expect the ultimate loss to exceed $17,500,000, which is about what a guarantee would have cost this year. By the same token it may be assumed that the government anticipates that the loss may run as high as that figure.

But the present book loss may actually be higher than the "ultimate" loss anticipated. The Financial Post has reason to believe that it is probably not very far either way from 25 cents a bushel on 80,000,000 bushels of wheat or $20,000,000. The Ottawa correspondent of The Financial Post, in a lengthy summary of the situation this week, indicates a much larger loss.

It is a rather staggering charge to be saddled on the taxpayers by a government that had before it, when it started this scheme, the spectacle of the U. S. Federal Farm Board's previous costly failures in similar operations, not to mention some forty other commodity stabilization or valorization schemes throughout the world.

* * *

THIS is the brief outline of the 1930 wheat guarantee scheme by itself. But in connection with the commodity gambling operation of the Dominion there has been carried on, simultaneously, another type of speculative buying and selling of wheat. Under Mr. McFarland the government has bought and sold wheat futures for the purpose of stabilizing the market. Apparently the government has had two purposes in view, to attempt to hold the price of wheat so as to reduce its own losses, and to provide a buying cushion to absorb sales of 1931 and 1932 wheat. Again no exact information is obtainable and whether these efforts to support the market have added nothing to the loss under the actual guarantee and have added nothing to the total holdings under Mr. McFarland's direction than would be represented by previous sales of his 1930 wheat or whether these speculative holdings reached the 50,000,000 bushels that has been estimated, is a state secret.

Mr. Bennett recalled the comment of Sir Josiah Stamp that the speculation in wheat has, in the past, played a very important part in providing a source of buying orders for wheat that absorbed a large volume of the selling operations of those offering hedges for sale when they wished to protect their cash purchases. Since speculators were out of the market, the government, through the pool selling organization, had stepped in to take their place, the prime minister indicated. Thus, with brutal frankness, he revealed the true nature of the government's ventures in wheat — plain, ordinary speculation. He did not mention that one of the chief reasons why there is practically no speculation in the market is that the government has so interfered with the natural wheat market that the now much-sought speculative element has been driven out.

Canada has attempted a dangerous experiment and is learning a costly and fearsome lesson. The cost is not to be measured in terms of the $17,500,000 or more that has been stolen from the taxpayers. The farmers have seen the values of their wheat shrink under the influence of government tampering with their markets.

possible for any one who wishes to obtain gold for Dominion notes and ship it out of the country.

Mr. Bennett was more happy in his House of Commons statement on the government's inflationary move. He made it clear that while Canada was following the example of other countries in attempting to ease credit it had no intention of departing from sound money principles. No doubt in Toronto Mr. Bennett intended to convey that meaning and no more and only felt himself to be under the necessity of making his purpose clear to an entirely non-technical audience. But it did appear anomalous for the prime minister to be so determined in his opposition to inflation so shortly after giving the country a mild dose of it.

* * *

THERE are many angles to this question of inflation yet to be explored and the subject provides a fertile field for academic argument and practical analysis. From the standpoint of business there is a very real question of whether or not the programme can be made to "take" and if so, when and how. As this is the normal season of credit expansion in Canada, it is unlikely that the effect on bank loans of the creation of money will be noticed until after the turn of the year. Even then, credit cannot be forced into use without a restoration of confidence among those who might normally become productive borrowers or without the full co-operation of the banks.

* * *

ALLIED is the very pertinent question of interest rates for money, a large subject that cannot be more than suggested here. The reflation programme of the Bank of England had a great deal to do with making the recent debt refunding operations of the British government such a colossal success. Interest rates are responsive to the influence of new money in Britain and when the bank rate came down it was not difficult to bring the longer term investment rate down.

Similarly, in the United States, reflationary measures produced such a large volume of new credit that the spectacle was witnessed of United States government bonds of certain issues selling to provide no yield at all and indeed in a few freak cases, where there were conversion privileges in prospect, notes were selling to provide a minus return.

But in Canada bank interest rates and mortgage interest rates are somewhat rigid. Being a debtor country we have not created a money market, fluid in nature and responsive to the changing winds of world economic circumstances. But it is suggested by some financial authorities who do not profess to have thought the matter all the way through that before we have taken all the logical steps to recovery we shall have reduced the savings bank interest rate to two per cent, the trust and loan deposit rate to three per cent, and the rates to borrowers accordingly.

It is a short and somewhat hesitating step that the government has taken but its possible consequences for good — or evil — are beyond calculation. The Financial Post feels, however, that there is enough monetary common sense in both the banking system and the government to ensure that the consequences shall be largely favorable and not at all disastrous.

Reflation Alive With Possibilities for Good or Evil

CANADA'S little experiment in inflation, the first monetary step of the character to be taken in Canada since the depression began, has been received with very cautious approval in other countries. If there are reservations it is because there is an earnest desire to see the degree of self control Canada is ready to exercise in this matter of joining Britain and the United States in measures designed to promote recovery through monetary management.

Investors of the world have before them the terrible example of inflation at its worst as presented by Germany, and by other countries in only less degree. In those cases, inflation was simply a system of confiscating investments and redistributing the ownership of values. Inflation, in even a minor degree, is likewise a form of confiscation of the property of the creditor class but the drop in prices has already had the effect of confiscating a large share of the present property and potential income of the debtor class and transferring it to the creditor class so that a measure of inflation designed to undo some of this damage is hardly to be criticized.

* * *

REFLATION is a word that has been coined to represent an artificial attempt to replace the real money that has been driven out of circulation in the deflationary process of price decline and it has as its ultimate result readjusting the balance between debtor and creditor class, to bring it back to the relative position existing before the deflation began.

Obviously, until they have some very definite assurance that Canada is on a reflationary programme and not on an inflationary programme foreign investors will be timorous about Canada. This will be their attitude to Canadian securities payable in gold coin in New York and London as well as to internal securities. Even gold payment securities are not safe if inflation runs riot since they are almost certain to be generally defaulted.

The prime minister has already indicated that Canada has not embarked upon a programme of inflation and if the monetary policy of Canada is carefully managed in the coming weeks the check to the inward flow of capital will disappear. In fact, a mild degree of reflation will probably tend to increase faith in Canada, especially if it gives any stimulus to business and thus aids our governments in balancing their budgets and our corporations in meeting their obligations.

* * *

THE dividing line between inflation and reflation is not fixed. When the issuance of additional currency is a matter of justifiable easing of credit in the interests of business recovery and when it is mere use of the printing press to cover up government deficits is a problem in delicate distinction that had best be left to economists who will find plenty of room for argument in the premises of any particular situation.

On November 1 the Dominion government indulged in a little experiment in inflation by issuing $35,000,000 of Dominion notes to the banks to permit them to loan $35,000,000 to the government. Of course the transaction was accomplished in the reverse of this order but the effect was the same. It was inflation pure and simple but it was an inflationary move that has received the private if not the public commendation of many economists and banking authorities and merely repeats what Great Britain and the United States have already done in an effort to bring about world recovery. If the World Economic and Monetary Conference arrives at any recommendations they will probably include one for further measures of the same kind throughout the world.

It is undoubtedly a little difficult at first glance to understand the attack upon the use of the printing press made by Prime Minister Bennett in Toronto last week "If we do it," he said, "we destroy the country. We destroy its credit and once you do it the appetite for more becomes insatiable." But the government did use the printing press to the extent of $35,000,000 and in doing so it did not destroy the credit of the country.

Mr. Bennett's statement can only be interpreted to mean that whatever inflationary measures are taken in Canada will stop short of any measures that would do more harm than good.

* * *

IN HIS efforts to simplify economics, Mr. Bennett gets his points home to the average man but he leaves the economists puzzled as to what he means. Last week he again asserted that Canada had remained on the gold standard. He said:

"By that I mean that your one dollar bill is supported by gold in the treasury of Canada to the extent that $50,000,000 of those bills are backed by 25 per cent gold holdings. In addition there is a 43 to 44 per cent backing in gold in our treasury against every other bill outstanding in the Dominion. In addition there were hundreds of millions of dollars in Canadian bonds, resting in the United States and other countries' markets, and they had to be met in gold. And we have honored them."

But of course Canada is not on the gold standard since it is not

BENNETT CONFESSION OF HUGE WHEAT LOSS GIVES OTTAWA SHOCK

(Continued from page 1)

walk of life, not excluding the farmers who produce wheat.

No More Speculators

Mr. Bennett said that the speculator disappeared entirely from the market about two years ago. This loss of buying strength would have brought about a severe drop in price. Wheat would have been forced down to a level at which speculative interest would again be aroused. Through Mr. McFarland the Federal government took the place of speculative buyers, bought when the market was glutted, sold when there were substantial demands from the grain trade.

The argument which will be used against him, here, is, briefly, that the entry into the grain market of the government as a holder of large supplies which were to be sold as opportunity offered, caused the disappearance of the speculator. No one, naturally, would care to take a flutter in wheat if he knew that any price rise would bring a flood of government selling. And the more wheat the government acquired through its speculative purchases, the more remote became the likelihood of private speculation.

Converted into Futures

Unofficially the extent of the government holdings can be estimated with confidence. Mr. McFarland is understood to have taken over about 80,000,000 bushels of pool wheat, of which he has disposed of about 5,000,000 bushels. He converted this wheat into futures 22 months ago at about 55 cents per bushel. The costs of converting or renewing the futures run to about 1 cent per month, so that this grain now represents a state investment of approximately 77 cents per bushel. With current prices at 47 cents and less, the liability to the treasury is obvious.

The other phase of the government's operations was carried on in the crop year 1931-32, it is believed, at a substantial profit. In the new crop year, however, the government is said to have taken up about 50,000,000 bushels of futures at a price slightly in excess of 50 cents per bushel. This would give the government's holdings at the moment at approximately 125,000,000 bushels.

Early adjournment of Parliament probably will prevent further parliamentary discussion of this important question. But when Parliament resumes next January it will be made one of the outstanding issues of Federal politics.

IMPERIAL OIL HAS 5-DAY WEEK IN FULL SWING

Move to Spread Employment May be Taken Up by Others

Wide attention in the business community has been drawn to the Imperial Oil Co. five-day week inaugurated November 1, 1932, with the object of spreading employment. It is understood that Imperial Oil hoped that its action would be followed by many other employers of labor and that the results might be of widespread benefit. There are indications that careful thought is being given to the matter by other large companies.

The ramifications are already felt among a large group of companies which did business with Imperial Oil Co. as they have been notified of the matter by the following card, signed by C. O. Stillman, president.

"Imperial Oil, Ltd., has adopted the five-day week in all departments and in conformity with this plan the purchasing department in common with other departments of the company except service departments will no longer be open for business on Saturdays.

"The objective of the five-day week is to lessen unemployment. It results in the sharing of available work among a larger number of workers, thus expanding purchasing power. It is our earnest hope this will be a remedy for existing difficulties and a logical development in the evolution of the shorter working period which began when industry abandoned the 12-hour day."

Bill to Revise Dumping Duty Against Britain

All goods imported into Canada from Britain and entitled to the British preferential or lower tariff are to be removed from the operations of the clause of the Customs Act referring to the dump duty according to the terms of an amendment to the act introduced into parliament by the Minister of National Revenue, Hon. E. B. Ryckman, and which now stands for third reading.

This will result in some curtailment of the powers of the Minister of National Revenue to fix valuations for customs duty importations into Canada. It applies only to the usual anti-dumping duty clauses and will not prevent the Government from applying the anti-dump clause in the case of a depreciated currency where the Government will still have the right to fix artificial values for the purposes of duty.

Under this amendment application of the ordinary dump clause of the Customs Act will not be made to imports from Britain under ordinary circumstances, but so long as sterling is depreciated in terms of the Canadian dollar such anti-dump law may be applied.

Noranda Takes Dividend Action At Early Date

A meeting of directors of Noranda Mines will be held Friday, November 18, at which time it is anticipated that some action will be taken regarding dividends.

Just what, if any, declaration will be announced following this meeting is a conjecture, but in usually well-informed circles it is mooted that the disbursement will be at about 75 cents per share payable the latter part of December. Earnings for the first nine months of the current year were approximately $1.26 per share. One dividend of 50 cents per share, in U. S. funds, was paid on June 30, 1932, and indications are that while $1 per share could be paid from the earnings this year, it is not regarded as probable that more than 75 cents per share will be disbursed in the next payment and possibly not more than 50 per share.

EXCHANGE SITUATION AFFECTS MARITIMES

(Continued from page 1)

have an important bearing on the routing of British West Indian sugar to the English rather than to the Canadian market. In fact the situation is already apparent in the purchase by Canadian refineries of Australian and Natal sugars.

At a Disadvantage

As this trend becomes more pronounced the volume of northbound traffic will decline even more than it has in the past 12 months. While as long as the pound sterling continues selling at a heavy discount, the British West Indian importer will look to England and elsewhere for his supplies.

Maritime interests are concerned with the situation. They do not see any relief with the exchange situation as it is. At the same time they are not backward in voicing their opinion that Canada was over-generous when it made the trade treaty with the British West Indies.

Canadian Tobacco Leaf Popular in West Africa

Popularity of Canadian tobacco in West Africa is growing. The latest shipment was 11,000 pounds on the S. S. Calgary, which sailed for Sierra Leone and other West African points recently.

Following an experimental shipment last year requests were made this season for more of the Canadian leaf, and 7,600 pounds were shipped to Freetown, Sierra Leone, at the end of August. Canada, it is understood, is competing successfully with the United States in supplying this territory as the Canadian product is more to the liking of the native African.

Wholesale Trade in Halifax

The volume of trade done by wholesalers proper in the City of Halifax during 1930 amounted to $20,174,900. The 79 establishments employed 1,022 persons who received $1,386,400 in salaries and wages Thirty-eight, or nearly half of the wholesalers proper were engaged in handling food and tobacco products.

World-wide

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TOTAL ASSETS IN EXCESS OF $700,000,000

The Store for Men Receives

A New Stiff Hat from HABIG of Vienna

It's "unbreakable" they claim - - - $10

Oh, yes, we tried—we were skeptical too.

First we flattened it with a haymaker to the crown—but the dints left no marks—no cracks—no welts.

Then someone suggested kicking it around—so we played football awhile—the Habig got dusty but otherwise came through with flying colors.

Up to the time of writing we haven't tried throwing it under the wheels of a trolley car—but we're beginning to wonder.

We believe the new Habig is a great investment at $10. Figure it out yourself.

And next time a sorrowful pal sits on your hat, just grin and say—

"Don't worry, old chap, it's a Habig"!

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Simpsons—Street Floor.

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MONTREAL TORONTO WINNIPEG VANCOUVER

AMUSEMENT CORP. COVERED DIVIDEND FOR PAST YEAR

Earnings Equalled $2.14 a Share on "A" and "B" Stocks

From Our Own Correspondent

MONTREAL.—Operating profit of United Amusement Corp. in the fiscal year ended Aug. 31, 1932, was $304,798, compared with $355,239 in the previous year. Property revenue was slightly higher but other income declined, working expenses and depreciation were lower and net income after bond interest was $271,502 or $2.14 a share on the common stock. This compared with $2.48 a share in the previous period.

During the year dividends amounting to $1.85 a share on the common were paid, as against $2 a share in the preceding year. After payment of income tax, surplus was $12,674.

Profit and Loss Figures

Profit and loss figures of the company, which operates a chain of motion picture theatres in and around Montreal, compare as follows for the past two fiscal years ended August 31:

	1932	1931
Oper. profit	$304,798	$355,239
Prop. rev.	59,157	58,599
Other income	90,230	94,110
Total revenue	454,186	507,948
Less expenses	85,669	90,220
Net earnings	368,517	417,728
Depreciation	97,015	110,650
Net income	271,502	307,078
Interest	88,435	93,423
Bond discount	7,800	7,800
Net profit	175,267	205,855
Dividends	137,578	148,594
Income tax	25,015	21,499
Surplus	12,674	35,762
Prev. balance	759,960	724,200
P. & L. bal.	$772,634	$759,961

Working Capital

	1932	1931
Current assets	$306,924	$223,425
Curr. liabilities	145,407	157,877
Work. capital	$161,517	$65,548

Investments Show Gain

Improvement in working capital is largely due to an increase in investments in bonds which totalled $128,822 compared with $16,908 in the previous year. Other assets include cash at $82,800, down $95,000, while interests in other enterprises have been increased from $157,229 to $428,225.

A mortgage receivable of $267,000 shown in the previous report has been liquidated. Property account is slightly higher at $2,656,696 and goodwill and franchise is unchanged at $1,372,290.

In liabilities, accounts payable are down $9,000 at $80,820. Depreciation reserve now totals $214,755 and reserve for franchise is up $25,000 at $200,000. During the year there were redeemed $50,500 of 6 per cent first mortgage bonds leaving $1,356,800 outstanding. Surplus totals $772,633.

VANCOUVER ADDS TO STORE SPACE FOR GRAIN HANDLE

New Elevators and Additions Planned For Coast Port

From Our Own Correspondent

VANCOUVER. — This port, claiming to be the only one in the world where grain handling facilities are being increased at the present time, will have its elevator capacity increased about 1,600,000 bushels by the end of the year, according to the present construction schedule of the Vancouver harbor board.

Three additions to grain elevators are now nearing completion, two of which will be finished by December 1. Present capacity of the elevators is 16,205,000 bushels. The increase will give the port a capacity of 17,830,000 bushels.

This does not by any means meet the actual demand for grain space, in the opinion of shippers. Some authorities believe that Vancouver could have profitably utilized 30,000,000 bushels of wheat capacity this season. So far this crop year, more than 25,000,000 bushels have been shipped through Vancouver—a period of only about three months and it is expected that the port's total shipments for the season may be close to 150,000,000 bushels. About 12,000,000 bushels are now in storage in Vancouver.

Further Plans in View

The Harbor Board is now working on plans that will give the port accommodation for at least 21,000,000 bushels.

Additions now under construction are to the Pacific Terminal elevator, which is being increased from 1,250,000 bushels to 1,725,000 bushels; United Grain Growers from 1,650,000 to 2,500,000 bushels, and the Columbia, from 160,000 to 260,000 bushels.

Pacific Terminal and United Grain Growers will have their additional storage space provided by the first of December.

Present Elevators

Following are the grain elevators in Vancouver and their storage capacities and the additions under construction:

Pacific Terminal	1,250,000
Addition	475,000
Vancouver Terminal	4,870,000
Pool No. 1	5,150,000
Pool No. 2	1,625,000
United Grain Growers	1,650,000
Addition	1,000,000
Columbia	160,000
Addition	100,000
Midland Pacific	1,500,000

Mortgage Finance Corp. Bondholders to Meet

From Our Own Correspondent

MONTREAL—Bondholders of Mortgage Finance Corp., which company defaulted on its bonds in June, 1929, have been informed of the intention of a committee representing the holders to call a general meeting in the near future. At the meeting it is proposed to discuss and decide on a plan of action having to do with the affairs of the company.

The organization has been operated by the National Trust Co. since Aug., 1929. Some progress was made in the early stages but since Mortgage Finance Corp. deals in second mortgages problems have been encountered in the past year or two.

The company was formed in 1925 with an authorized capital of $1,500,000 of 7½ per cent bonds and 28,000 shares of common stock of no par value.

McLeod Sees Dangers in Central Bank

Bank of Nova Scotia Head Speaks Frankly Before C. B. A. — Rising Tide of Taxation and Government Debt Deplored

By J. A. McLEOD
General Manager of Bank of Nova Scotia
(Presidential Address to Canadian Bankers' Association)

At the time of our last annual meeting, we were in a period of grave anxiety. An unbearable strain had enforced abandonment of the gold standard by Britain. Her suspension of gold payments had immediately led a dozen other countries to take the same step. New tariffs and exchange restrictions were throttling the movement of goods, already seriously diminished, in the highways of the world's commerce.

The suspension of gold payments in Britain had merely served to transfer the severest financial strain to the United States. Gold was being withdrawn from New York at an unprecedented rate, and hoarding on a large scale was manifest in the interior. Rumors were abroad, rumors which we now know to have been without foundation, which led to widespread questioning as to whether the gold standard could be maintained any longer, even in a country so strong as the United States.

Believes Crisis Past

It is worthy of remark in this connection that in the week of greatest strain, when rumor was rife, there was still in the United States a surplus of gold above the minimum requirements, amounting almost exactly to $1,400,000,000.

With the growing realization of facts such as this, the panic gradually subsided: and with the disappearance of panic, I believe that the worst of the present financial crisis has passed. I may go further than this, and say that both in the United States and Canada there have been definite signs of greater industrial activity. The lowest point of the depression seems actually to have been reached in June. Conditions are now perceptibly better than they were.

Depression Factors Still Active

We cannot yet be sure, however, that the sustained recovery for which we have been waiting so long, has already got under way. The factors which were mainly responsible for the depression are still active. Since these factors are for the most part international in scope and origin, they are far more difficult to deal with than if they were local and amenable to remedies applied by national governments acting on their own initiative.

We still await the settlement of the pressing problems of war debts. Till this has been disposed of, I feel that we have not assurance of sustained recovery. Moreover, we still await a general readjustment of tariffs, and a lifting of exchange restrictions, which will permit the resumption of international trade on a scale adequate for prosperity. These are urgent problems, and action in regard to them cannot be postponed, merely because business is a little better than it was last June.

Investment Funds Stagnant

Moreover, though funds are plentiful, and money rates exceptionally low, and though there has been a great appreciation of gilt-edged securities in 1932, we cannot fail to realize that the stream of new investment has not yet resumed its customary flow. It is obvious that the construction industries depend largely for the maintenance of their activities upon a sustained stream of new capital investment. They have not shared so far in the recent improvement of business.

We need also to realize that the great export industries of North America depend for the maintenance of their activities upon this stream of new capital investment, inasmuch as (except in one or two cases, such as that of Britain) the countries purchasing our exports are countries normally needing access to the New York market for borrowing purposes.

In all of the Dominions and in Britain, the agreements arrived at as a result of the Ottawa Conference are now being, or have just been, translated into law. I hope we shall find as a result of these agreements that trade in a number of lines between Britain and the Dominions, and among the Dominions themselves, is to receive an effective stimulus. We must recognize that in pooling all of their trade and exchange problems, the statesmen in charge of the destinies of the British Empire were faced with an extraordinarily complex and difficult task; and we may commend the patience and thoroughness with which the possibilities of new trade were explored along a number of avenues.

Hopes Centre on World Meet

The Ottawa Conference is properly to be regarded as the forerunner of the World Economic Conference, which must meet within a few months from now, though the date has not yet been set. On an even larger scale and on an even vaster stage, issues of the same kind as at Ottawa will arise in the World Economic Conference; and problems of the same kind will call for solution. It is to be hoped that the delegations of the World Economic Conference will undertake their task with the same patience and devotion to detail that was shown at Ottawa. Our hopes for the settlement of the great outstanding international problems (and their settlement is essential to sustained recovery) centre upon this conference.

Meanwhile, great questions of national policy, questions that must affect intimately the lives of all of us in Canada, press for solution. Chief of these at present is the railway problem. All over this continent, in the United States and in our own country, the shrinkage of traffic has reduced the railroads' operating revenues by little less than one-half. The situation is serious in both countries. But it is the more serious in Canada, because of our over-extended railway mileage. We possess approximately twice the mileage, per 1,000 of population, that has been established in the United States: and it is in the light of this fact that we should consider the recommendations in the so-called Duff report, now before parliament and the country. We must deal decisively with this great problem now—for if we falter with it, for fear of offending any sectional interest, our unreadiness to face facts now will certainly cost us dearly some day not far hence.

Taxation Problem

From this I pass to yet another national problem, in regard to which the banker naturally holds a watching brief. This problem is intimately connected with the plight of the railways, inasmuch as a substantial deficit on Canadian National account has to be met out of public funds. I refer to the problem of taxation.

In an economic depression, the national income inevitably shrinks. The average citizen finds himself worse off than before. He has fewer dollars to spend.

He pays taxes on federal, provincial and municipal account. Unless the collections of the federal, provincial and municipal taxing authorities are reduced in proportion to the reduction of the citizen's income, it must inevitably follow that a growing proportion of private income is absorbed in taxes and spent on government account.

None of these three governmental authorities has in fact reduced its collections in anything like the proportions in which the private citizen's income has been reduced. As a result, as everyone knows, the burden of taxation has been increasing. But I question very much whether it is generally realized to what an extent the burden of taxation has actually grown of late years.

Increase 45 Per Cent

Studies recently made in the University of Toronto, which have been placed at my disposal, indicate that in 1928, of every $1 of income in Canada, the tax gatherers, federal, provincial and municipal, gathered no less than 12½ cents. Even in the days of our prosperity, one-eighth of the national income was thus compulsorily spent.

Since 1928, the situation has become progressively worse. The corresponding figure for 1931, representing the proportion of the citizen's dollar which was taken in that year by the tax gatherers, is 18.1 cents. The burden of taxation is hard to measure exactly; but on a mere arithmetical computation, it has increased in three years in the rather staggering proportion of 45 per cent.

This change has been accompanied by changes in the deadweight burden of debt charges, which are no less impressive, and to some extent account for the growth in the tax burden.

Debt Doubles in Three Years

If by the words "burdensome debt" we mean the aggregate of interest on non-self-supporting capital expenditures, by federal, provincial and municipal authorities taken together, and any deficits on Canadian National account which have become liabilities of the government of Canada, the following instructive comparison, as between 1928 and 1931, then appears:

In 1928, burdensome debt charges were equal to 3 per cent of the national income, and absorbed 24 per cent of the proceeds of taxation:

In 1931, burdensome debt charges were equal to 6½ per cent of the national income, and absorbed more than 35 per cent of the proceeds of taxation.

In other words, the weight of burdensome debt charges has more than doubled within three years; and this is responsible for three-fifths of the growth in the proportion of national income, which is claimed by the tax-gatherer.

These figures would be startling and depressing, even if the budgets of all of our public authorities were balanced, and if no fresh creation of debt were being made at present.

But as every banker knows, deficits are still the rule.

In the hope that realization of them will prompt us to still more strenuous efforts in favor of balanced budgets, I place these facts before you.

Central Bank Problem

From this I pass to yet another national problem, and one which seriously concerns us. I refer to the problem of a central bank for Canada. There are obvious reasons why a banker should avoid, whenever possible, the discussion of partisan political issues. By singular good fortune, this has never been difficult in Canada, for the Bank Act has not been a political issue. But within the past three year—that is, within the period of this depression—the situation has been changed. There is a risk today, that the Bank Act may be drawn into politics, and that the creation of a central bank for Canada may become a political question.

There is no need—indeed this is not the proper place—to discuss the question in detail now. We may be sure that in due time the representations of the bankers, with regard to the creation of a central bank in Canada, will receive a fair, full, and friendly hearing. But because the project of a central bank has become a feature of current political discussion, because it is a project that touches all our interests, because our fellow citizens all over Canada have already begun to form their opinions upon it, I should be failing in my duty were I to take no notice of it today.

Function of Banks

Let me content myself by saying this. The record of the Canadian chartered banks, throughout the terrible disturbances of our time, is not one of which they need feel ashamed. They are to be regarded, first and foremost, as guardians of the people's money. In the total of our banking assets the shareholders' equity forms a very small proportion. Most of the vast sum for which the banks are responsible has been left in their safe-keeping by the people of Canada.

To the people they discharge two primary responsible duties: firstly, that of providing currency for the daily conduct of business, as and when required, and in adequate amounts; secondly, that of holding in safe custody the balances entrusted to them by ten million people in Canada.

It is unnecessary to state that both of these functions have been performed with complete smoothness and certainty throughout the depression. There has not been a single bank failure, nor has there been a moment's hesitation in providing the currency required (in the form of bank notes) by the people. The safety of deposits has never been in any doubt, nor has there been a moment's hesitation in the meeting of all lawful demands.

New Organization Urged

From the standpoint of security the Canadian banking system has successfully stood the strain and passed the severest test. But that system consists of ten chartered banks dealing directly with the public. There is no central bank in Canada (though the Finance Act, as more than one minister of finance has stated in recent years, does maintain for the banks in Canada the rediscounting facilities elsewhere provided by central banks): and we are now told that we should imitate our neighbours by creating a central bank forthwith.

May I say, with regard to central banks, that there has been a great deal of misapprehension as to what they can do; that even today there exists a great deal of misapprehension as to what they have been able to do elsewhere.

Fourteen years ago, when the war ended, there were very few central banks in the world. There was the Bank of England in London; France and Germany had central banks. In 1914 a central banking system, with twelve units, had been founded in the United States. But though there were these conspicuous examples, many countries did not yet possess any central banking machinery.

Post-War Fad

The creation of central banks in other countries was, in a much larger measure than is commonly realized, an affair of the few years following the war. Many of them are still brand new. Without wishing to be flippant, I may fairly say that it suddenly became fashionable, after the war, for governments to create central banks, just as it was fashionable some centuries ago for governments to create trading monopolies. As a result there are very few countries without a central bank today.

Now it is easy to pass legislation creating a central bank: but whether a central bank, when once created, can control credit, can stabilize business and lessen the strain of economic depression—that is another question.

The best known of all central banks is, perhaps, the Bank of England. In some respects the strongest of all central banks is the Bank of England. When we think of a central bank we are apt to conceive of something like the Bank of England.

But we must realize that few central banks anywhere bear any resemblance to the Bank of England. Few can command the same kind of experience. Few possess effective power—that is in the nature of things.

Prerequisites of Success

It may be questioned whether in any country that is a debtor country the central bank can possess effective power. For a central bank that does possess power, to bring its influence to bear without shock to the financial business structure, it should be functioning in a sensitive money market and, if possible, a market which creates bills of exchange in its own currency. Where these conditions are not fulfilled a central bank is apt to resemble an impressive façade with a small and rather flimsy building behind it.

Canada fulfills none of these conditions. She has not yet become a creditor country—probably will not do so for many years. She does not possess a sensitive money market. Although she has a strong financial structure, it is essentially simple. While the business man, as a matter of routine, discounts his bills with his banker, there is no market within this country for dealing in bills of exchange, and no machinery for dealing in them, such as exists in London and New York, nor is there likely to be. Generally speaking, the Canadian bank retains until maturity the bill that it has discounted. It is also true that more often than not such bills, originating in Canada, will be drawn in sterling or in United States currency.

Doomed to Disappoint

All of these considerations point in one direction. We have the power, by legislation, to create a central bank, just as (to take an absurd illustration) we could create a Canadian peerage if we cared to do so; but if we were to create a central bank in Canada, it would inevitably rouse extravagant expectations in the minds of a great many people. Most of these expectations would inevitably be doomed to disappointment, firstly, because as a debtor country we have a limited freedom of action in times of stress; secondly, because as a young country we possess an essentially simple financial machinery which has been a natural growth and which, therefore, cannot easily be manipulated artificially.

I have, perhaps, said enough to make it clear that the projected establishment of a central bank in Canada raises some exceedingly difficult problems, and is not without elements of danger. It is not my intention (nor would you wish me to do so) to take a position on this great question at the moment. Nevertheless, because the project is surrounded with such difficulties, you will agree with me that the time has come when, in no controversial spirit, the bankers should make their views known to the public.

In the meanwhile, it is sincerely to be hoped that until this problem has been explored fully, none of our political leaders will so far commit themselves on this great question, as possibly to discover at some time in the future that the fulfillment of their pledges would affect the financial soundness of the country. During a time of unprecedented economic stress, in which all countries are suffering, the solid strength of the Canadian banking system has been an invaluable sheet anchor to the Dominion.

Gallagher, Ad. Man, Makes New Connection

J. J. Gallagher, for many years with the Desbarats Advertising Agency, latterly as vice-president, becomes associated with A. McKim Limited, at the Montreal office, on January 1.

Mr. Gallagher was previously vice-president and managing director of the Acton Publishing Co. in Toronto and was for five years with the MacLean Publishing Co., Limited. He has an intimate knowledge of merchandising methods and has been closely identified with many successful advertising campaigns.

Hopes Raised of Treaty For Salmon Conservation

From Our Own Correspondent

VANCOUVER.—Removal of opposition from the state of Washington as a result of the Democratic overturn there has revived hopes for the passage of the international salmon treaty which may result in restoration of a $30,000,000 industry on the Fraser River.

British Columbia packing interests, supported by the federal and provincial governments, have tried for years to get Washington's approval of the treaty which provides for regulation of fishing on the American side of the border in the Fraser River area. Repeatedly the measure has been blocked by political influence in Washington state, represented in the recent past by Governor Roland H. Hartley, who met defeat in the primaries, and who is now succeeded by Clarence D. Martin, Democrat, believed to be favorable to the conservation proposals.

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Canning Plant Resumes Activity

The canning plant of the Maritime Co-operative Egg and Poultry Exchange at Saint John has resumed operations and will continue until the end of the year and, possibly, until the end of January. An increased output is predicted.

A RELIABLE INDICATION
Of Business Prospects in Western Canada During 1932-33

Two surveys of buying power have just been issued by the W. Sanford Evans Statistical Service.

1. THE WHEAT YIELD MAP OF WESTERN CANADA — A coloured wall map showing yields of wheat at all stations.
2. BUYING POWER CHART — An analysis of farmers' income from all principal sources, by 20 sales areas, expressed in percentage of normal.

Prices of the wheat yield map are as follows:
Single copies $2.00 — 5 copies at $1.50 each
3 copies at $1.75 each — 10 copies at $1.25 each
Linen Mounting 50c per copy additional

Subscribers to the wheat yield map will receive a copy of the buying power chart without further charge.

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NORTHWESTERN BONDHOLDERS PASS ON PLANS

Majority Favor Postponing Interest Until Next Year

From Our Own Correspondent

MONTREAL.—Despite opposition from a minority group, bondholders of Northwestern Power Co., subsidiary of Winnipeg Electric Co., met in Montreal and approved a resolution postponing interest payments until May 1, 1933 and waiving claims under the trust deed for defaults for the same period.

Bondholders also approved the appointment of a permanent committee. which included the members of the existing committee, with the addition of George W. Mitchell. The committee now comprises J. B. Woodyatt, A. N. Drolet, S. Kilpatrick, John J. Rudolph, Glyn Osler, K.C., William Ferguson, Arthur H. Gilbert, George deB. Greene, W. Wynne Robinson and George W. Mitchell.

Outline Company's Position

In outlining the position of Northwestern Power, A. J. Woodyatt reported to the meeting the findings of a special committee. This survey of the Northwestern Power situation brought out eight points, which are summarized:

(1). Winnipeg Electric Co. has available for Winnipeg and its suburbs 176,000 h.p. The closing of the Manitoba Paper Co. plant created a large amount of surplus power.

(2). Inability to enforce the contract with Manitoba Paper because of the receivership in Abitibi Power and Paper, and its consequent reflection in earnings of Manitoba Power, a subsidiary of Winnipeg Electric;

(3). Earnings of Winnipeg Electric for the first seven months of 1932, after depreciation and interest charges, totalled $109,402, or at the rate of $187,000 a year;

(4). Northwestern Power is operating at a deficit of about $30,000 a year, after operating expenses and taxes, but before interest and depreciation charges. Interest requirements amount to $600,000 per annum.

Cannot Meet Guarantee

(5). Winnipeg Electric is not in a position to meet its guarantee to Northwestern Power.

(6). Chances of sale of the properties to the City of Winnipeg or the Manitoba Government are considered remote;

(7). Receivership proceedings against Winnipeg Electric would be detrimental to the interests of the bondholders;

(8). Earnings of Manitoba Power for the seven months ended July 31, 1932, showed a surplus after charging off depreciation, etc., of $166,503, but included in the revenues is $173,630 charged to Manitoba Paper, without which interest and depreciation charges would not have been earned.

Opposition Voted Down

David N. Finnie, as representative of an independent bondholders committee, opposed the appointment of the committee and proposed an amendment to the resolution which would have provided for adjournment until December 12. Mr. Finnie also favored the appointment of an independent firm of accountants to make a survey of the situation. These proposals were voted down by the bondholders.

NAT. DISTILLERIES PAYS CREDITORS 10%

Second Distribution Brings Total to 30 Per Cent Since Liquidation

From Our Own Correspondent

MONTREAL. — A second dividend amounting to 10 per cent is going forward to unsecured creditors of National Distilleries, in liquidation. The first payment was made in December last year and totalled 20 cents in the dollar; it is expected that one more disbursement will be made before the estate is finally wound up. Shareholders of the company are not likely to receive anything from the estate.

Chief among the receipts of the liquidator have been $112,000 from the sale of the company's Lachine plant and $10,000 representing a payment on account of sale of the Winnipeg plant. It is understood that a mortgage has been placed on this unit and it is liquidation of this that is delaying final winding up.

National Distilleries was placed in liquidation in January, 1931, after a short and unsuccessful career.

Change Firm Name

From Our Own Correspondent

MONTREAL. — Announcement is made that the firm name of Wright, Henderson and Macdonell Ltd., investment bankers of Montreal, has been changed to Wright, Henderson and Co. Ltd.

Winnipeg Electric Earnings Lower

From Our Own Correspondent

MONTREAL. — Improvement is lacking in the earning power of Winnipeg Electric Co. during the current year, judging by statements made at the bondholders' meeting of Northwestern Power Co. It was stated that during the seven months ended July 31, 1932, earnings after depreciation and interest charges were $109,402, or at the rate of $187,000 a year. For all of 1931 the company reported a corresponding figure of $262,801. The showing made this year would have been better had it not been for special charges, amounting to around $70,000, in connection with Northwestern Power, which is controlled by Winnipeg Electric.

WEST KOOTENAY INTEREST EARNED; REVENUES LOWER

Lessened Activity of "Smelters" Provides Chief Cause

From Our Own Correspondent

MONTREAL.—Earnings of West Kootenay Power Co. continue to record a margin over bond interest requirements despite the fact that revenue is at levels well below those of last year. Interest needs totalled $277,912 in 1931 but this sum will be increased in 1932 on account of premium on United States funds.

Restricted activity on the part of Consolidated Mining and Smelting Co., the company's chief outlet for power sales, has been responsible for decreased earnings. With the exception of gold, all the parent company's mineral production has declined during the current year, a factor which has been reflected in lower demand for power.

Prior Issues Retired

Balance sheet of West Kootenay Power at the end of 1932 will reveal redemption of issues prior to the present bonds outstanding. At the end of 1931 there were outstanding in addition to the $6,500,000 of 5 per cent first mortgages, $98,164 of other bonds, but these have since been called.

In addition to supplying power requirements of Consolidated Smelters, West Kootenay through subsidiaries distributes energy for domestic, mining and industrial use throughout Central Southern British Columbia and to Northport in the state of Washington.

NEWSPRINT OUTPUT ADVANCE SEASONAL

Current Production Runs Under Level Set Up in 1931

From Our Own Correspondent

MONTREAL.—No marked improvement took place in the production of newsprint in Canada during the past month, judging by preliminary figures issued by the Newsprint Service Bureau. Output for the month totalled 157,506 tons as against 150,691 tons in the same month last year. Production in American plants aggregated 76,731 tons, compared with 70,621 tons in September last and 97,117 tons in October, 1931.

Production of newsprint in Canada and the United States last month amounted to 234,237 tons. This compares with 221,312 tons in September, 1932, and 281,369 tons in October last year.

Stocks in the United States and Canada on November 1 were 81,201 tons against 81.157 tons on October 1, and 74,916 tons on November 1, 1931.

Shipments Gain Seasonally

Shipments of newsprint from United States and Canadian mills in October were 234,490 tons against 225,867 tons in September and 290,341 tons in October, 1931.

Canadian shipments in October were 157,568 tons against 152,633 tons in September and 191,785 tons in October, 1931. Shipments from the United States and Canadian mills in first 10 months 1932 were 2,459,392 tons against 2,832,013 tons in first 10 months 1931. Canadian mill shipments in first 10 months 1932 were 1,611,905 tons against 1,861,117 tons in same 1931 period.

Asbestos Shipments Larger for October

From Our Own Correspondent

MONTREAL.—Asbestos shipments from Thetford Mines, Black Lake and Coleraine districts in October totalled 7,532 tons. This is the highest tonnage during any one month since November last and represents an increase of 1,951 tons over the previous month's figures. The returns for last month are considered as very satisfactory, inasmuch as prospects at the beginning of October were far from encouraging.

List on request

NESBITT, THOMSON and Company Limited

355 St. James Street West, Montreal

Quebec Ottawa Toronto Hamilton London, Ont. Winnipeg Saskatoon Calgary Victoria Vancouver

CANADIAN CAR HAD LARGE LOSS IN PAST PERIOD

Deficit Totals $913,193 Before Crediting Other Investment Income

From Our Own Correspondent

MONTREAL.—A net operating loss of $913,193, after taking credit for reserves not required, is revealed in the income account of Canadian Car and Foundry Co. for the fiscal year ended September 30, 1932. This compares with earnings of $896,785 in the previous year, a figure which included $250,000 transferred from inventory reserve.

Interest earned last year was $183,156, an increase of $20,000 which reduced the loss to $730,037 before provision for depreciation. Net profit in the preceding period was $811,433 after adding interest of $164,647 and deducting depreciation of $250,000. It is stated that much repair work was undertaken during the year, cost of which was absorbed in current cost of operations so that it was not found necessary to make a specific reserve for depreciation.

Large Deficit Recorded

After payment of dividends of $1.75 a share on the preferred and 99 cents a share on the common, there was a deficit of $1,617,179 against a deficit of $403,717 in the previous year, when dividends of $1.75 a share were paid on both classes of stock.

President W. W. Butler states in his report that no orders for cars were received from either of the two main transportation systems and sales reached only about 50 per cent of the low water mark in the history of the company. A noteworthy feature of the balance sheet is the retirement of 10,655 shares of preferred stock.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

Working Capital	1932	1931
Net Earnings	*$ 913,193	†$ 896,786
Add: Int. Earned	183,156	164,647
Total Earnings ...	*$ 730,037	1,061,433
Less:		
Depreciation ...	......	250,000
Net Profit	*$ 730,037	811,433
Less:		
Prov. for Taxes	......	50,000
Prefd. dividends	525,000	525,000
Com. dividends .	362,142	640,150
Surplus for year ..	*$1,617,179	*$ 403,717
Add. Prev. Surplus	6,055,047	6.458,765
Balance forward .	$4,437,868	$6,055,048

*Loss. †After transferring $250,000 from inventory reserve.

Working Capital		
Current Assets ...	$5,221,368	$7,338,806
Current Liabilities	517,929	793,390
Net Working Cap.	$4,703,439	6,545,416

Inventories Show Drop

Balance sheet reflects the situation surrounding the company. Accounts receivable total $437,216 compared with $2,033,143; inventories are down $386,000 at $1,585,794 and cash shows a drop of $210,000 at $149,153. In investments, Dominion of Canada bonds are carried at $2,399,155 an increase of $264,000 while miscellaneous investments are down $100,000 at $644,775. Company's own shares held by associated companies show a drop of $92,000 at $5,274.

Property account totals $25,130,856 which includes net cost of additions made during the year totalling $51,155. Total assets amount to $30,496,420 against $32,650,178 in the preceding year.

Retires Block if Preferred

In liabilities, extent of the company's new policy of retiring preferred stock is apparent. During the year there were purchased 10,655 shares leaving 289,345 shares of par value $25 outstanding. Discount on these purchases amounted to $77,529, indicating that the average price paid for the preferred stock was $17.73 a share. Reflecting this, net premiums on the company's shares have been increased to $391,043.

Accounts payable are down $76,000 at $388,929. Bank loans of $200,000 shown in the previous report have been liquidated. Depreciation reserve is unchanged at $8,364,454. Operating and miscellaneous reserves are lower by $72,000 at $406,500.

In his remarks to shareholders, W W. Butler, president of the company, stated that operations of Canadian General Transit Co., which owns and operates a fleet of tank cars, were not included in the report since the company, while controlling the Transit Co., did not own its entire capital stock. He said, however, that operations of the Transit Co. had been satisfactory.

GOLD PRODUCTION AT HIGH LEVELS

Total For Canada is $260,538 For September

Canadian gold production during the first nine months of 1932 reached a total of 2,271,842 ounces valued at $46,963,141, as compared with 1,974,204 ounces worth $40,810,417 produced in the corresponding period of 1931, according to a report just issued by the Dominion Bureau of Statistics at Ottawa. In September, 260,538 ounces were produced; the output during the preceding month was 262,590 ounces and in September a year ago, 243,109 ounces were extracted.

The production from Ontario mines in September was 189,721 ounces. Quebec operators reported an output of 34,205 ounces in September, an increase of 22.2 per cent over the preceding month's production. In British Columbia, 16,023 ounces were produced as compared with 18,577 ounces in August. Manitoba produced 12,617 ounces in September, during the previous month the output was 14,259 ounces.

Placer production in the Yukon rose to 7,554 ounces from the August output of 7,133 ounces. Shipments to the Royal Canadian mint from Nova Scotia totalled 418 ounces.

The Transvaal gold production in September was recorded at 961,501 ounces as compared with 916,024 ounces a year ago. During the nine months ending September the output from the Transvaal aggregated 8,619,265 ounces or 806,616 ounces above the total for the corresponding month of 1931.

The following is the monthly statement of production:

Production of Gold in Canada

	1932 ounces	1931 ounces
January	233,826	203,227
February	225,891	195,961
March	255,675	204,872
April	246,359	222,866
May	268,543	216,597
June	270,526	229,478
July	247,894	228,878
August	262,590	229,216
September	260,538	243,109
9 mos. ending Sept...	2,271,842	1,974,204

Cold Storage Plant Operates

The new cold storage plant of the Berwick Fruit Company, at that centre, is now in operation with a maximum capacity of 15,000 barrels of apples. There are five separate divisions, each having its own refrigeration, independently.

Unemployment in Cities From 4 to 58 Per Cent

Analysis of Census Data Reveals Westmount With Best Record of Eighty Leading Centres

Moncton, N.B., Yarmouth, N.S., and Westmount, P.Q., shared honors for Canada as having the smallest number of unemployed in relation to wage-earners as at the date of the decennial census, according to an analysis of unemployed in 80 leading cities prepared by The Financial Post from data released by the census branch of the Dominion Bureau of Statistics.

The Financial Post has tabulated the number of wage-earners in the 80 leading cities of Canada, together with those not at work as at the date of the census, June 1, 1931. The ratio of those not at work to total urban wage-earners has also been computed in each case. The returns tabulated to date for the cities show only the number "not at work" without the further analysis as to whether the reason for this was "no job" (unemployment) or other causes such as sickness, accident, etc.

Westmount Leads

On this basis Westmount leads all Canadian cities with but 4.24 per cent of its population not at work on that date while Yarmouth comes close second with 4.26 per cent. Moncton comes third with 4.63 per cent while Granby and Valleyfield, P.Q., stand fourth and fifth, 5.01 and 5.48 per cent respectively. Other leading cities with less than 10 per cent are: Ste. Hyacinthe, 7.6 per cent; Stratford, 8.63 per cent and Montreal East, Drummondville and St. Stephen, N.B., all with between 9 and 10 per cent.

At the other end of the scale, Port Alfred, P.Q., tops the list with 57.7 of its 478 wage-earners not at work as at the census date. This obviously is a direct reflection of inactivity in newsprint operations. Unfortunately from the data released so far it is impossible to determine how many of those who reported in the census that they were not at work, were actually "unemployed." Perhaps a large proportion of those not at work were only temporarily laid off at that date. Subsequent data will later reveal this information for each city.

Automobile Cities Slack

Slackness in automobile plants is also indicated in returns for Oshawa and East Windsor. At the date of the census, 35.6 per cent of Oshawa's 7,300 wage-earners were reported as not at work while of the 3,979 wage-earners at East Windsor, 34.7 per cent were placed in this category. Other cities with more than 30 per cent of their wage earners not at work, were The Pas with a ratio of 41.5 per cent; North Vancouver with 32 per cent; Sandwich, Ont., with 30.3 and Vancouver with 30.1. Portage La Prairie also was above the 30 per cent figure.

Of the five leading cities of Canada, Toronto found itself in the best position with only 16.6 per cent of its 220,000 wage-earners not at work. Montreal came next with a ratio of 17.96 per cent. Vancouver as already noted had a poor record with just over 30 per cent while Winnipeg had a ratio of almost 24 per cent. Hamilton's ratio for its 51,108 wage-earners was 20.7 per cent.

Detailed figures for the eighty leading cities in Canada follow.

	No. of wage earners	No. not at work*	Ratio† %
P. E. I.			
Charlottetown	2,980	410	13.75
N. S.			
Amherst	1,874	274	14.62
Dartmouth	2,417	284	11.75
Halifax	17,780	2,902	16.32
New Glasgow	2,400	348	14.50
Sydney	5,950	1,431	24.05
Truro	2,219	261	11.76
Yarmouth	1,782	76	4.26
N. B.			
Bathurst	771	137	17.76
Edmundston	1,563	186	11.90
Fredericton	2,346	247	10.52
Moncton	6,019	279	4.63
Saint John	13,822	2,570	18.59
St. Stephen	915	99	9.24
Quebec			
Drummondville	2,116	209	9.87
Granby	3,114	156	5.01
Grand'Mere	1,418	323	22 77
Hull	7,487	1,705	22.77
Lachine	5,474	814	14.87
Montreal	253,835	45,609	17.96
Montreal East	601	56	9.31
Port Alfred	478	275	57.53
Quebec	34,864	4,743	13.60
St. Hyacinthe	3,102	236	7.60
St. Jerome	2,088	549	26.30
St. Johns	3,275	342	10.44
Shawinigan Falls	3,627	468	11.80
Sherbrooke	7,967	1,191	15 05
Three Rivers	9,243	1,742	18.84
Valleyfield	3,225	177	5.48
Westmount	8,149	346	4.24
Ontario			
Belleville	4.033	498	12.34
Brantford	9,507	2,052	21.58
Chatham	4,096	.751	18.33
East Windsor	3,979	1,381	34.70
Fort William	8,199	2,306	28.12
Galt	4,605	691	15.00
Guelph	6,505	1,082	16.63
Hamilton	51,108	10,576	20.70
Kingston	6,501	1,007	15.48
Kitchener	9,809	1,334	13.59
London	22,184	2,594	11.69
Niagara Falls	5,937	1,157	19.48
Oshawa	7,300	2,600	35.61
Ottawa	39,713	4,570	11.50
Owen Sound	3,415	514	15.05
Peterborough	6,492	880	13.55
Port Arthur	6,356	1,810	28.47
St. Catharines	7,430	1,382	18.60
St. Thomas	4,410	499	11.31
Sandwich	3,037	921	30.32
Sarnia	5,251	687	13.00
Sault Ste. Marie	6,970	1,901	27.27
Stratford	5,145	444	8.63
Toronto	219,881	36,589	16.64
Walkerville	3,342	459	13.73
Welland	3,356	682	20.32
Windsor	20,147	4,977	24.70
Woodstock	3,572	402	11.25
Manitoba:			
Brandon	4,544	940	20 68
Portage	1,534	481	31.35
St. Boniface	4,662	761	16.32
The Pas	1,551	644	41.52
Winnipeg	76,552	18,331	23.94
Sask.			
Moose Jaw	7,241	1,766	24.38
Pr. Albert	2,867	739	25.77
Regina	16,857	3,872	23.34
Saskatoon	13.860	3,319	23.94
Alberta			
Calgary	28,696	7,428	25.88
Edmonton	24,528	5,793	23.61
Lethbridge	4,161	1,099	26.41
Medicine Hat	2,673	632	23.64
B. C.			
Nanaimo	2,079	554	26.64
New Westminster	5,208	1,106	21.23
N. Vancouver	2,127	681	32.01
Pr. Rupert	2,203	608	27.59
Vancouver	83,067	25,042	30.14
Victoria	12,541	2,868	22.86

*Those reported "not at work" as at June 1, 1931. Includes unemployed and those absent from work for other reasons.
†Ratio of those not at work to total wage earners.

TURNER VALLEY OIL PRODUCTION DOWN

Merland is Largest Producer in the Field

Production of crude naphtha and crude oil from the Turner Valley field showed a further decline in October with an output of 41,705 barrels as compared with 66,522 barrels the same month in 1931.

The decline in delivery is accounted for principally by testing operations being conducted under the supervision of the Turner Valley Gas Conservation Act.

The following tabulation gives monthly comparative figures for 1932 as compared with 1931 and output of individual producers during October 1931.

Barrels	1931	1932
January	156,658	68,893
February	132,267	67,789
March	128,975	71,583
April	114,277	65,691
May	118,614	65,709
June	113,429	61,447
July	90,248	53,585
August	66,794	51,747
September	66,596	40,747
October	66,522	41,705
November	69,082	....
December	73,022	....
Totals	1,199,424	588,896

Following is the October report of the refineries:

IMPERIAL REFINERY

Crude Naphtha	October 1932, bbls.
Royalite	2,088
Dalhousie	461
Home	972
Lowery Pete	487
Merland	4,056
Southern Lowery	997
Sterling Pacific	2,694
Southwest Pete	180
Mercury	2,852
Total	14,742
Discolored Crude Naphtha	
Royalite	3,414
Advance	469
Associated Oil & Gas	446
Dalhousie	231
Foothills	3,173
Home	1,256
Mayland	3,923
Merland	1,272
Southern Lowery	1,992
Sterling Pacific	375
Mercury	1,919
Hargal	131
Hylo	2,400
Structure	398
Total	21,399
Crude Oil	
Royalite	186
Dalhousie	547
Model	3,333
Total	4,066
Imperial totals	40,207
REGAL REFINERY	
Okalta	1,063
Alberta Federated	124
Homestead	311
Total	1,498

Sun Life Obtains Interdict on South Africa Publisher

A perpetual interdict has been issued against Bertie Behr of the Shilton News Agency of Capetown, South Africa, restraining him from issuing statements reflecting on the Sun Life Assurance Co. of Canada.

Behr, it is claimed, has for some time been publishing booklets reflecting on the honesty and integrity of the company and has been actively selling and distributing J. J. Harpell's Journal of Commerce there.

GOLD OF ONTARIO INCREASED IN 1932

Department of Mines Figures Show Output for 10 Months

October production by Ontario's gold mines was valued at $3,908,400 as compared with $3,917,186 in September, according to the Ontario Department of Mines. The total value of Ontario's gold production for the first ten months of 1932 was $38,701,435 as compared with $35,167,804 in the same period of 1931. In October 17 mines contributed to the production, which in order of output were as follows:

Porcupine — Hollinger, McIntyre, Dome, Coniaurum, Vipond and Ankerite.

Kirkland Lake—Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Toburn, Kirkland Lake Gold, and Barry-Hollinger.

Northwestern Ontario — Howey, Minto, Moss and Parkhill.

Individual mines in order of output for October were: Lake Shore, Hollinger, McIntyre, Teck-Hughes, Dome, Wright-Hargreaves, Howey, Sylvanite, Coniaurum, Toburn, Kirkland Lake Gold, Vipond, Ankerite, Barry-Hollinger, Minto, Moss and Parkhill.

Output of Ontario Gold Mines (Gold and Silver Values)

Source and Period (1932)	Ore milled Tons	Total Value
Porcupine:		
January to June ...	1,624,340	$10,411,136
July	276,270	1,608,025
August	289,565	1,865,385
September	282,127	1,857,892
October	299,814	1,814,757
Total	2,772,116	$17,557,195
Kirkland Lake:		
January to June ...	885,328	$12,015,560
July	149,430	1,879,871
August	150,721	1,985,125
September	151,253	1,943,008
October	153,579	1,972,676
Total	1,490,311	$19,796,240
Northwestern Ontario:		
January to June ...	185,889	$ 817,224
July	34,326	146,854
August	33,679	148,669
September	34,302	116,286
October	35,287	120,967
Total	323,483	$ 1,350,000
Total for Province:		
January to June ...	2,695,557	$23,243,920
July	460,026	3,632,750
August	473,965	3,999,179
September	467,682	3,917,186
October	488,680	3,908,400
Grand Total	4,585,910	$38,701,435

In October receipts of crude gold bullion at Royal Canadian Mint, Ottawa, from Ontario mines were 255,023 crude ounces, containing 200,851 fine ounces of gold and 26,605 fine ounces of silver, with a total value of $4,159,099.

Avon River Power Co. Buying Another System

From Our Own Correspondent

MONTREAL.—Application has been made to the Nova Scotia Public Utilities Board for approval of the sale and transfer of the properties and undertaking of the Brooklyn Light and Power Co. to Avon River Power Co. The latter is controlled by Nova Scotia Light, Heat and Power Co.

Over the past two years Avon River Power has been active in purchasing a number of small private power systems in Nova Scotia. At the same time the parent company has endeavored to absorb Avon River Power Co., but approval has been withheld by the Utilities Board.

CANADA BUYS MILLION TONS BRITISH COAL

Imports in 1932 Season 250,000 Tons Higher Than Ever Before

More than 1,000,000 tons of British anthracite have been imported into Canada this season, and this total is more than 250,000 tons higher than the largest total of imports in any previous season. Imports to Oct. 31 through the port of Montreal, where most of this coal is landed, amounted to 966,936 tons and arrivals during November have raised this well above the million ton mark.

In comparison with 1931, imports since the middle of April, when navigation opened, show an increase of 319,939 tons for 1932. A decline from the September total of imports in October which was the smallest month in this respect, this with the exception of June.

Tabular comparison of the monthly imports indicates clearly the increase in British anthracite imports over the last four seasons:

British Anthracite Imports Through Montreal

	1932	1931	1930	1929
April	64,262	nil	nil	nil
May	158,308	166,312	155,991	72,299
June	124,857	123,968	80,856	59,499
July	182,826	110,526	122,156	67,966
Aug.	161,917	71,179	86,884	83,900
Sept.	138,989	87,683	104,408	67,428
Oct.	136,327	87,329	93,967	84,824

British Columbia coal and coke have also shown increased imports into Canada during the current year. Bituminous imports total 137,544 tons compared with 29,827 tons in 1931 while 15,597 tons of British coke have been brought into Canada this year compared with only 145 tons in 1931.

Particular interest in the large imports of British coal is created by the forthcoming federal investigation of allegedly excessive spreads between the importers' costs and the retail price of British anthracite in eastern Canada. Favorable foreign exchange rates and an import duty preference over United States anthracite have been prime factors in increasing the imports from Britain this year.

Dominion Bridge Gets Contract for Big Span

From Our Own Correspondent

MONTREAL.—Dominion Bridge Co. has been awarded a contract for construction of the superstructure of a bridge over the St. Lawrence river between LaSalle and Caugnawaga, according to unconfirmed reports. Value of the contract is stated to be $773,243. Shares of the company have not reacted to the announcement and have remained steady at levels of around 16.

A Janin and Co. has been awarded the contract for construction of piers, approaches and cement work at a cost of $1,786,000. It is expected that steel work on super-structure will be commenced in the spring of 1934 and that the bridge will open for traffic not later than May 1, 1934.

Tenders for the contract were received by the Lake St. Louis Bridge Corp. Work on preliminary stages will be commenced immediately, but it is evident that Dominion Bridge Co. will not begin setting its steel work in place for the next 18 months.

• Province of Ontario Guaranteed
3½-4-5% Bonds due October 1st, 1952
(Issued by Hydro-Electric Power Comm.)

Price: 89.50 and interest, yielding 5.04%

These bonds bear half-yearly interest payable in principal Canadian cities, dating from October 1st, 1932 at 3½% per annum for the first five years; at 4% for the second five years and at 5% for the last ten years. Redeemable on any interest date at par and accrued interest at the option of the Commission.

At the substantial discount offered these bonds are an attractive investment opportunity providing government security with over 5% yield.

Mail enquiries receive prompt attention.

Wood, Gundy & Company Limited

Toronto Montreal Winnipeg
Vancouver New York London, Eng.

P. E. I. Insurance Agency in Business Sixty Years

Hyndman & Co. Ltd., of Charlottetown, P.E.I., are this year celebrating the sixtieth anniversary of the founding of the firm by the late F. W. Hyndman, R.N.

The late Mr. Hyndman was born at Princeton, P.E.I., in 1841, entered the Royal Navy in 1856, and, after serving as paymaster of H. M. S. "Newport" and on the staff of H. M. S. "Victory," flagship of the fleet at Portsmouth, he retired from the navy in 1870. He started his insurance business two years later and was appointed Lloyd's agent in P. E. I. in 1892.

Mr. Hyndman's knowledge of marine affairs enabled him to build his marine insurance business successfully and he later branched out into fire insurance risks. Subsequently the company started to write other types of business.

The present manager of the company is John O. Hyndman, one of the charter members of the Canadian Life Underwriters' Association.

London Life's Sales Make October Record

The London Life Insurance Co. had the best October in its history this year, having issued $11,354,890 of business. This is also the best month for the company in 1932 to date. The issue for October of ordinary life insurance, $5,811,782, is the largest month's issue of ordinary business in the company's history.

A study by the same company, of its experience with business issued to old policyholders and to new applicants, shows that a substantially larger proportion of business with old policyholders than business with new applicants remains in force. Of the total business issued in 1930 to old policyholders, 92 per cent was in force at Dec. 31, 1930, and 81 per cent was in force at Dec. 31, 1931. In the case of business issued in 1930 to new applicants, 81 per cent was in force at Dec. 31, 1930, and only 65 per cent was in force at Dec. 31, 1931.

THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA
61 Years in Business

Capital $2,000,000—Reserve Fund $3,200,000.

Make Mortgage Loans on Owners' Homes at reasonable rates of interest.

ARCHIBALD McPHERSON, *President.* T. H. MAIN, *Manager.*

International Milling Company and Subsidiary Companies

Condensed Consolidated Balance Sheet, as at August 31, 1932

ASSETS

Current Assets:		
Cash		$ 1,084,351.12
$575,000.00 Dominion of Canada Bonds (at market value)		578,200.00
Accounts Receivable, less Reserve		1,531,492.25
Salesmen's Advances		15,218.87
Advances on Grain in Transit, etc.		105,812.11
Inventories of Grain, Flour, Feed, Packages and Supplies		6,209,271.29
Total Current Assets		$ 9,524,345 64
Prepaid Expenses (Insurance, Taxes, Interest, Supplies, etc.)		185,163.22
Due from Officers and Employees		36,085.46
Memberships		30,116.00
Investments:		
In Subsidiary Company—Lake & Rail Warehouse & Elevator Corporation: Capital Stock and Current Account	$ 50,715.76	
Unamortized Balance of Improvements to Leased Premises mortgaged to secure Bonds of Lake & Rail Warehouse & Elevator Corporation	1,245,729.41	
	$1,296,445.17	
First Mortgage 6% Sinking Fund Gold Bonds (at cost plus accrued interest)	415,073.76	
Non-Operating Properties — Depreciated Value	130,805.28	
Miscellaneous Advances and Investments	257,984.27	
		2,100,308.48
Real Estate, Buildings, Machinery and Equipment, at sound value per appraisal by American Appraisal Company at June 15, 1922, plus subsequent additions at cost		7,835,189.84
Treasury Preferred Stock (at cost)		157,247.55
Total		$19,868,456.19

LIABILITIES

Current Liabilities:		
Notes Payable		$ 1,813,927.00
Accounts Payable		971,616.91
Accrued Taxes (including Federal and Canadian Income Taxes)		291,798.67
Accrued Commission, Pay Roll, Interest, etc.		61,584.18
Accrued Preferred Stock Dividend (paid September, 1932)		71,969.25
Reserve for Canadian Exchange on Net Current Assets of Canadian Subsidiaries		402,131.72
Total Current Liabilities		$ 3,613,027.73
Reserve Accounts:		
For Maintenance and Depreciation (accumulated since August 31, 1922)	$2,008,961.99	
Contingent Reserve for possible additional Federal Income Tax on profits of Canadian Subsidiaries, payable only on distribution thereof	213,000.00	
For Other Contingencies	178,086.75	
Insurance Funds	97,720.70	
		2,497,769.44
Capital Stock:		
7% Sinking Fund Cumulative Preferred Stock—35,158 Shares of $100.00 each	$3,515,800.00	
6% Sinking Fund Cumulative Preferred Stock—9,178 Shares of $100.00 each	917,800.00	
Common Stock—100,000 Shares of no par value	2,500,000.00	
		6,933,600.00
Surplus		6,824,059.02
Total		$19,868,456.19

Contingent Liabilities Reported: Drafts on customers discounted, foreign drafts and bills of exchange sold, and notes discounted or endorsed, stated on basis of United States exchange ....$ 686,645.84

NOTES: At August 31, 1932, there were obligations in connection with improvements in progress, amounting to $6,827.66.

The Company owns the entire issued capital stock of the Lake & Rail Warehouse & Elevator Corporation, lessor of the mill, elevator and warehouse property operated at Buffalo. The rental payable by the Company as lessee is sufficient to meet interest charges and sinking fund requirements in respect of the bonds of the lessor Company.

The Canadian assets and liabilities are included in the Balance Sheet on the basis of par, but a reserve has been provided for conversion of the net current assets to the basis of United States exchange at August 31, 1932.

CONDENSED CONSOLIDATED SURPLUS ACCOUNT FOR THE YEAR ENDED AUGUST 31, 1932

Surplus, August 31, 1931		$6,917,477.97
Add: Net Income for year (after making provision for Federal and Canadian Taxes on Profits and for conversion of the net income of the Canadian Subsidiaries to the basis of United States Exchange as at August 31, 1932)	$1,125,576.04	
Discount on Preferred Stock Retired	23,981.26	
		1,149,557.30
		$8.067,035.27
Deduct: 7% Preferred Stock Dividend for year ended August 31, 1932	$ 242,551.75	
6% Preferred Stock Dividend for year ended August 31, 1932	54,258.00	
Common Stock Dividend, paid December 21, 1931	500,000.00	
Miscellaneous adjustments applicable to prior years (net)	118,681.36	
Proportion of Adjustment for Canadian Exchange allocated to Surplus Account	327,485.14	
		1,242,976.25
Surplus, August 31, 1932		$6,824,059.02

To the Board of Directors, International Milling Company, Minneapolis, Minnesota:

We have examined the accounts of the International Milling Company and its Canadian subsidiaries for the year ended August 31, 1932. In our opinion, based on our examination and information furnished to us, the accompanying Condensed Consolidated Balance Sheet and relative Condensed Consolidated Surplus Account set forth the consolidated financial condition of the foregoing Companies as at August 31, 1932, and the result of the operations for the year.

The sinking fund provision under the terms of issue of the Preferred Stock have been duly complied with.

(Sgd.) "PEAT, MARWICK, MITCHELL & CO."

Minneapolis, November 5, 1932.

News of Investment Markets

INFLATION MAY AID INVESTORS IN GOOD BONDS

If Taken Too Far Credit of Canada Would be Damaged Abroad

The possible effects of Canada's new inflationary policy upon the investor in high grade government and municipal bonds is engaging the attention of investors and security houses alike. There appears to be no definite agreement as to the trend of bond prices in the future, since much will depend upon the degree to which inflation is carried and, while a mild inflation is expected to have beneficial results on bond prices over a period, the effects of unrestrained inflation would be extremely serious.

The immediate effect of the announcement that Canada had launched on a policy of inflation was an increased discount on the Canadian dollar in terms of New York funds and a sharp drop in Canadian bonds listed in that market. Foreign investors feared the possibility of extreme inflation and there was an immediate cessation of large orders for Canadian bonds. Up to the end of October there was a good volume of business transacted between Canadian and United States investment houses but it is reported by one Canadian investment firm, active in this market, that the volume of transactions has shown a drop of some 60 per cent in the past two weeks. On the other hand business with London has not been stimulated.

Mild Policy Would Help

It is generally conceded that further inflation of the Canadian dollar could be done without too great a damage to the nation's credit. The currency is now inflated 12.2 per cent and this might be increased to 15 or 20 per cent. Bond dealers feel that the government's policy should be definitely stated in order that confidence on the part of foreign investors can be retained. If for any reason this confidence is lost it is believed that there may be a flight from the Canadian dollar and Canadian securities would be dumped by foreign investors. The effect of such a move on the prices of Canadian securities would be disastrous and it is highly improbable that inflation would be carried to such a degree that such events would occur.

The $35,000,000 of additional currency provided by inflation can hardly have been put into circulation as yet unless the decided strengthening of Canadian bond prices on November 14 and 15 can be taken as an indication that the Canadian banks have been purchasing bonds. Bond dealers believe that it may take some weeks before the stimulating effects of Canada's mild inflation can be felt. The depressive effect of the first announcement was largely psychological and may be more than offset by an improvement in exports and in internal trade. If trade is stimulated the general effect upon the country's credit will be beneficial.

Banks Must Buy Bonds

The Canadian banks for some time have had more than sufficient credit to serve industry and therefore the $35,000,000 is not likely to be placed in circulation through loans to industry which does not need to, or is not in a position to, borrow at prevailing high interest rates. The alternative is for the banks to buy high grade government securities and if this is done bond prices will be stimulated and there would appear to be good possibilities for a strong demand for the better grade of municipal securities. If such is the case, Canadian municipalities will be able to issue bonds to pay off current bank loans and this in turn will provide the banks with additional funds which must be invested.

The consensus of investment bankers is that there will be a period of stronger bond prices and lower interest rates providing inflation is not carried too far. The value of preferred and common stocks is also expected to increase. It is not regarded as unlikely that interest paid by the banks and trust companies on savings deposits may be reduced by 1 per cent and this would stimulate investment in bonds. As the supply of high grade government and municipal bonds is absorbed by investors a market would be opened up for industrial and public utility securities which would offer better returns to investors while these classes of securities would be benefitted in varying degrees by improved business. The Canadian investor, however, should not lose sight of the fact that on November 1, 1933, there matures $169,971,850 of 5½ per cent tax free Dominion of Canada bonds and on November 1, 1934, there matures $226,138,350 of 5½ per cent Victory Loan bonds. Both of these maturities must be converted and so far as possible the Dominion Government will seek to prepare for a conversion at the lowest possible course.

Inflation has and will continue to affect the Canadian dollar adversely and as a debtor nation Canada has a large amount of principal and interest on loans which is payable in United States funds. With the Canadian dollar at a discount of 15 per cent a heavy additional load is imposed on Canadian municipalities and corporations and in some cases the premium that must be paid on New York funds may be the final straw. If the present premium continues or should increase it appears probable that there will be an increase in the number of defaults on bonds payable in New York funds. Wherever possible payment would be made in Canadian funds but this is not satisfactory to investors resident in the United States who would be inclined to dump any Canadian securities of doubtful merit. In cases where Canadian bonds are payable in Sterling the depreciation of Canadian funds has reduced the advantage to the borrower

The importance to Canadian borrowers of an exchange rate close to parity is evident when it is considered that payments due in New York on Canadian securities have aggregated $270,000,000 and will total $184,000,000 in 1933 and $182,500,000 in 1934 according to reliable estimate. The payments due in New York on account of principal and interest on Canadian, government, municipal and corporation bonds are as follows:

	1933	1934
Jan.	$19,333,771	$21,138,309
Feb.	10,469,989	7,500,974
Mar.	11,700,531	11,607,784
Apr.	16,810,467	20,217,455
May	18,560,181	15,977,460
June	19,789,493	17,710,393
July	20,769,539	23,115,870
Aug.	7,099,618	6,947,720
Sept.	11,629,922	11,586,150
Oct.	66,263,496	16,214,582
Nov.	17,077,766	13,781,662
Dec.	17,189,554	17,081,685
	$244,058,317	$182,579,542

Electrical Development Bonds Will Give Holders Premiums

Athough Hydro-Electric Power Commission of Ontario long ago got possession of the main properties of The Electrical Development Co. of Ontario, that company remains of perennial interest to investors who purchased in 1903 or later the $10,000,000 of 5 per cent 30-year bonds due March 1, 1933. Despite everything that has happened in changing Ontario over from private ownership to state socialism in the electrical development realm, these bonds have remained of excellent investment standing, and if the present exchange rate still obtains when the bonds are due on March 1, 1933, the owners may get as much as $13 on each $100 of par value.

These bonds are bringing to light a class of bondholders much appreciated in these days of quick changes. In the office of F. H. Deacon & Co., which participated in the original underwriting, enquiries have been received from bondholders who have held these bonds throughout the whole period and are now interested in reinvesting the proceeds in other bonds which have a like opportunity of remaining good investments for 30 years or more. Hydro-Electric Power Commission itself owns more than 50 per cent of the bonds.

Distillers Corp. Earnings Down Liquids are Up

From Our Own Correspondent

MONTREAL.—Distillers Corp.-Seagrams earned $1,529,463 in the year ended July 31, 1932, as compared with $2,767,596 in the preceding period. After depreciation, net profits were equal to 67 cents a share on the common stock before income tax as compared with $1.51 a share in the previous year.

Working capital was higher and a feature of the balance sheet was the liquidation of $670,000, balance due on purchase contract of Joseph E. Seagram & Sons. Special loans remain unchanged at $4,064,193.

B. C. Bond Dealers Re-Elect Whitehead

From Our Own Correspondent

VANCOUVER.—P. Whitehead has been re-elected as president of the British Columbia Bond Dealers' Association. He is a member of the firm of Robb, Robertson & Birch, Ltd., and is well known in western Canadian financial circles.

Hugh M. Allan was elected vice-president and the executive consists of G. Lyall Fraser, F. G. Sweet, T. St. E. de Wolf and D. C. Birch.

AUTOMATIC SIGNAL STOCK IS OFFERED

From Our Own Correspondent

MONTREAL.—An offering of common shares of Automatic Signal Corp. is being made by Johnston and Ward. The stock does not constitute a new issue. The company produces a control mechanism known as the Electro-Matio Automotive Dispatching Apparatus which is actuated by the passage of vehicles and operates in conjunction with standard types of signal lights.

Exclusive rights in all countries except Canada, Newfoundland, and the United States have been granted to Automatic Electric Co. of Liverpool. Canadian business is transacted through Automatic Signal Co. of Montreal.

Details of the prospectus, which states that earnings will be reinvested in additional revenue bearing installations probably for several years to come, are as follows:

Common Shares
(Par Value $1)
AUTOMATIC SIGNAL CORPORATION

Capitalization:	Authorized	Outstanding
Common shares, par value $1	1,000,000	740,599

Company: Produces a control mechanism for regulating traffic.

Earnings: From 1927-1931 income was required for development work. Net applicable to common stock in year ended July 16, 1932, was $14,000. Equipment now installed will show gross earnings of $163,000 for current year without taking into account new business. Estimated on a life of 10 years, present lease contracts are expected to produce $944,117.

Property: Corporation has no investment in plant. Manufacturing done by Veeder-Root, Inc., under contract. Equipment sold or leased in Canada is partially or wholly made in Canada.

Assets: At July 16, 1932, revenue bearing equipment was valued at $422,202; inventories at $67,309; machinery and fixtures at $26,948. Current assets were $585,852 against current liabilities of $242,825.

Offered: November, 1932, by Johnston and Ward at market.

Bond Tenders

Nov. 19, County of Peterborough.—$35,000, 5½ per cent, 10 year serial bonds.

Nov. 19, County of Peterborough—$35,000, 5½ per cent 10 installment debentures. E. M. Elliott, county clerk.

Nov. 28, noon, Town of Sioux Lookout, Ont.—$18,000, 6 per cent 15 installment debentures, dated Dec. 1, 1932. J. E. Cole, treas.

Nov. 21, School Commissioners of Grande Riviere.—$4,000, 6 per cent, 8 year serial bonds.

Noon, Nov. 21, School Commissioners of Grande Riviere—$4,000, 6 per cent, 8 year serial bonds dated Nov. 1, 1932. D. Gagnon, sec.-treas.

Nov. 28, Town of Sioux Lookout.—$18,000, 6 per cent, 15 year serial bonds.

Dec. 5, Notre Dame du Nord.—$5,000, 6 per cent, 10 year serial bonds.

Noon, Dec. 5, Municipality of Notre Dame du Nord—$5,000, 6 per cent bonds dated Dec. 1, 1932, redeemable serially from Dec. 1, 1933, to Dec. 1, 1942. J. N. Valliant, sec.-treas.

Nov. 25, Village of Stirling—$18,400, 6 per cent 30-year debentures. G. H. Luery, clerk. (See announcement on page 10).

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1933	Dec. 2	110
Int. Pwr. Secs. 'B'	6½%	1954	Dec. 1	104

*Called in part.

FOUR FACTORS RETARDED SALE DOMINION LOAN

(Continued from page 1)

mistic attitude of the head of one prominent investment house. The general attitude of bond men who were in direct contact with investors was entirely in favor of a 4½ per cent coupon rate.

The reasons advanced for a four per cent coupon rate were that the trend of bond prices had been steadily upward since the first part of July, 1932, and there was every indication that this trend would be continued. A world-wide movement for the reduction of interest rates appeared to be in progress of which the principal examples were the British, French and Australian conversion loans and a lowering of central bank rates. It was believed that a four per cent coupon on the recent loan would accustom Canadian investors to the new order and would facilitate the conversion of large maturities in 1933 and 1934 into new bonds bearing a lower rate of interest.

Price Was High

The price at which the bonds were offered to the public also formed a handicap. While the $25,000,000 of three-year bonds were priced slightly under the market prevailing when the initial offering was made, the 25-year bonds were offered at a price slightly above the market. As soon as the terms of the loan were made public it was generally conceded that the short term issue was highly attractive and would be readily over-subscribed by institutional investors. The subscription book for the short term issue was opened and closed on the morning of October 31 and applications were for an amount of bonds more than four times in excess of the amount available. While this over-subscription was in some degree due to padding of applications by dealers it was good evidence that the bonds were in demand. On the other hand the 20-year bonds sold slowly. It is understood that the original intention was that the long term issue was to have been sold to yield 4.60 per cent rather than 4.50 per cent and that the higher price was decided by federal officials without the knowledge of the bond dealers.

The commission paid by the government to banks and bond dealers for selling the bonds was reduced to ⅛ of 1 per cent on the three-year bonds and 3/5 of 1 per cent on the 20-year bonds from the three-quarters of one per cent paid for selling the National Service Loan. The reduction in commission decreased the amount of money that could be appropriated by the bond dealers for advertising but possibly the greatest effect was in the activities of sub-agents who have contact with investors outside of large urban centres. In the National Service Loan these agents received $3.75 for every $1,000 bond sold. In the recent loan these agents received only $3 for each $1,000 20-year bond which was more difficult to sell and 62½ cents for each $1,000 three-year bond.

The handicap imposed on the vast selling organization by the three factors outlined above might have been surmounted with some degree of success had not the news of the government's inflationary activities leaked out at practically the outset of the selling campaign. The discount on the Canadian dollar in New York immediately increased from eight to 13 per cent and Canadian securities listed in New York dropped sharply in price and this drop was followed by prices on internal payment bonds. This movement is indicated in the following average price and yield of 27 Canadian government bonds during the period.

	Average Price	Average Yield
Wed., Oct. 26	101.95	4.371
Thurs., Oct. 27	102.06	4.364
Fri., Oct. 28	102.18	4.359
Sat., Oct. 29	102.30	4.348
Mon., Oct. 31	102.50	4.334
Tue., Nov. 1	101.94	4.372
Wed., Nov. 2	101.92	4.373
Thurs., Nov. 3	101.41	4.406
Fri., Nov. 4	101.40	4.412
Sat., Nov. 5	101.98	4.435

Note:—In compiling the averages shown above, short term bonds are included. This reduces the average yield to a basis under the prevailing market on long term issues.

While it was apparently the intention of the federal treasury officials to increase the demand for high-grade bonds by inflating the currency to some extent, the plan failed since foreign investors in Canadian securities were uncertain to what extent the inflationary policy would be carried and this uncertainty was reflected in further depreciation of the Canadian dollar in terms of New York funds and depreciation in market values of Canadian securities abroad. Recently there has been a corrective movement but not until after the damage had been done.

Many investment dealers and bankers feel that had the details of the recent loan been changed in some slight degree it would have been possible to sell $105,000,000 almost as easily as $80,000,000 and that the campaign would not have dragged along to the very end of the allotted period. Nor would it have been necessary for high government officials personally to solicit subscriptions from large corporations in order to attain the necessary quota. In whatever terms such requests are couched there is some feeling that coercion was employed and this does not aid the credit position of the country with either foreign or domestic investors.

FINAL EFFECT OF INFLATION MUCH IN DOUBT

(Continued from page 1)

result is the one the government hopes to achieve and is probably what it had in mind when it requested the banks to obtain the new currency by rediscounting under the provisions of the Finance Act.

The obvious purposes of such a policy are (1) that by making credit easier, industry might be stimulated thereby and confidence restored, leading the way to business recovery; and (2) that by lowering the value of money a corresponding rise in prices be achieved which would aid Canada in her export markets and also play a part in a general world movement toward that end.

Results in Doubt

Just whether the desired effect will be achieved in Canada or not is very difficult to estimate at the present stage — especially since nothing is known of the ultimate goal the government has in mind. The very fact that the leaven of easy money takes considerable time to make itself felt, and that sometimes it doesn't "take" at all due to the introduction of unexpected factors, makes the problem all the more difficult. It also indicates the difficulty of maintaining adequate control unless strong hands are at the helm, for the very fact that little apparent harm resulted from $35,000,000 of "easy money" would readily lead to a demand for further and increasingly larger doses of the same tonic.

The precise name by which the government's action can be described is not of very great importance although undoubtedly there is much loose talking about the terms "inflation," "reflation" and so forth. Perhaps as good a definition as any of reflation is that it means "controlled inflation deliberately undertaken to reverse a preceding deflation." This definition is meant to stress the difference between a policy of merely turning out paper money to pay government debts and thus "inflating" for political reasons, and the type of plan which has been embarked on in Great Britain, United States, Canada and many other countries of taking steps to stem the vicious circle of deflation by restoring the price level to a point where business will once more have confidence that a further rise in the price of money (i.e., a fall of prices) will not occur. Of course the danger in either case is that the "control" will get out of hand.

From the viewpoint of the foreign investor who has recently been buying Canadian securities in considerable quantities, the admission of the government of an "easy money" policy has caused an immediate and unfavorable reaction. Foreign buying of Canadian securities in the United States has been frightened away almost instantly and will probably be resumed only after assurance is forthcoming as to what policy the government has in mind.

Lower Interest Rate?

Another important reaction has been among institutional and financial officials who think that the next step in the programme, if the government's easy money policy is to be successful, will be a lowering of interest rates which would make the way clearer for banks to put into circulation the new money which has been placed in their hands.

It has been suggested, for instance, that the standard rate of 3 per cent on savings deposits be cut to 2 per cent and that the present rate of 4 per cent now paid by trust and loan companies be similarly reduced to 3 per cent. Such action would enable banks to cut their loaning rates generally by 1 per cent and would, it is thought, lead the way to lower rates on government securities—an accomplishment that would be highly favorable to the government which is known to be anxious to convert as soon as possible the remainder of its long-term debt.

Although the traditional banking viewpoint in Canada has been in favor of uniform interest rates in good times or bad, there are many bankers, it is believed, who are at least quite willing to consider the prospect of lower interest rates in Canada. Interest rates in other parts of the world are gradually being scaled down as a result of cheaper money in the call and short-term markets of the world, and although Canada has no money market of this kind, it is felt by many that the present outlook for lower interest rates over a long-term period gives added weight to the present-day advantages which it is believed would accrue from such a step.

Essex County Council Seeks Preferred Position

Tax arrears on 1931 assessment owing by constituent municipalities of the County of Essex total $258,775 and, if these arrears are not paid, the County Council will appeal to the Ontario Municipal Board. Of the nine municipalities which owe the County $258,555 seven are now in default on their direct obligations and are under the control of boards appointed by the Ontario Municipal Board.

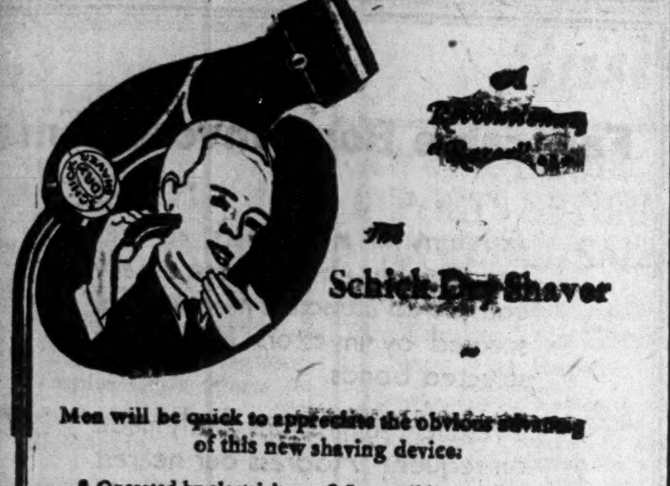
The County of Essex claims to be a preferred creditor and demands that all arrears of taxes shall be paid. If these taxes are not paid there is a prospect that the county will have a deficit well in excess of $100,000 by the end of the year.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car fwd. 1932 $	Balance car fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
International Milling	Aug. 31	1,125,576	1,307,314	8.28	10.00	5	6,824,059	6,917,478	..	..	..
Consumers' Gas	Sept. 30	1,159,648	1,267,212	8.25	9.56	10	21,206	226,814	170	19	5.88
Canadian Car	Sept. 30	*730,037	811,433	..	0.65	..	4,437,868	6,055,048	6	..	..

*Loss.



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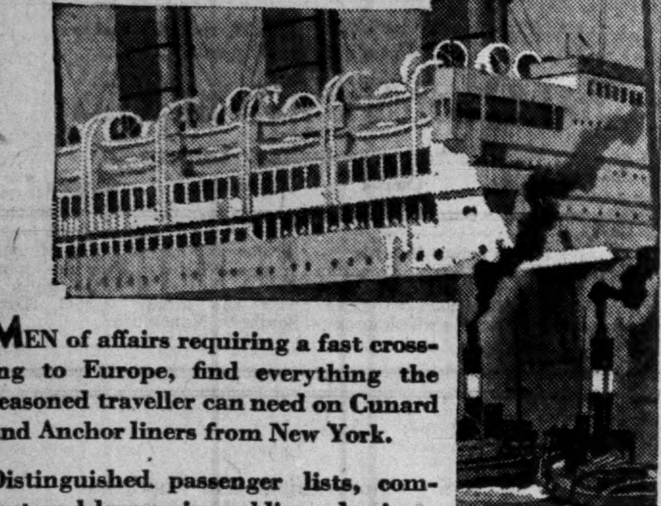

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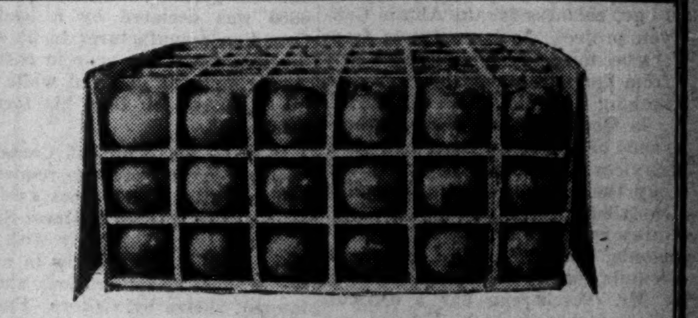

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TORONTO, NOVEMBER 19, 1932

ONTARIO THREATENS QUEBEC'S PRINCIPLES

ONE wonders what Premier Taschereau of Quebec thinks of the effort of Ontario Hydro-Electric System to get a foothold in northwestern Quebec. Mr. Taschereau's government draws a large revenue from a power plant in that area, and this revenue would be placed in jeopardy if the Hydro, desperate to get business for the Abitibi Canyon project, steals contracts from Quebec mines. It would lose revenue from the private company and gain nothing from the public enterprise.

Is Quebec going to spend thousands of dollars on roads and other services for its mines, and let them buy their power from plants that contribute not a cent to the province's revenues while Quebec power plants, that pay huge taxes and rentals, run at below capacity?

Mr. Taschereau has a difficult problem before him. He can not adopt an attitude that might be construed as selfish and it is not in accordance with the traditions of the Confederation pact that one province should impose barriers upon the goods or services of another. But the practical realities of the Hydro's threat can not lightly be dismissed.

Ontario set up its Hydro system to serve power and light consumers in the province. Being virtually tax-free and financed on government credit it has the benefit of favors not accorded to private individuals or corporations. If Ontario wants to grant those favors to the State and undermine private initiative within the province that is Ontario's business. But when Ontario, as a State, proposes to conduct business operations in another province and to use its State socialism to interfere with the principles and practices upon which that other province bases its industrial and business life then an issue of vital concern to every Canadian citizen is raised.

THE PROPER COURSE

RT. HON. ARTHUR MEIGHEN, government leader in the Senate, has announced that the government will conduct an enquiry under the Combines Investigation Act in regard to the price of coal, and particularly of imported Welsh coal. Earlier, Senator Meighen had suggested that the Senate might occupy some of its time in doing a little investigating itself and to the proposal of Senator Lemieux that an investigation might be conducted under the Combines Act he merely intimated that if the provisions of the act were set in motion by a petition from the proper number of persons he had no doubt the government would take the necessary steps. To the proposal that the Senate conduct the investigation The Financial Post objected at the time, Parliamentary bodies should not undertake investigations for which Parliament has established a better procedure.

The course that has been taken is the proper one.

REMEMBRANCE DAY

THROUGHOUT the country there has been almost unanimous press support of the proposal of The Financial Post that Remembrance Day should be abolished as a statutory holiday.

This year's experience with Remembrance Day confirms The Post in its view. There were brief memorial services, which gained nothing in solemnity and lost considerable in attendance, by reason of the holiday. Most people considered the day simply another occasion for some cold weather golfing, or for shooting, motoring, etc. The day came on a Friday and thus broke into the even routine of business for the week. Holidays, so far as possible, should be made to fall on Monday.

A number of newspapers have made a suggestion of value: that Thanksgiving Day should be held a little later in the season, to provide a holiday about half-way between Labor Day and Christmas, and in the hope that it will acquire in time some of the national character that attaches to Thanksgiving Day across the line.

Remembrance Day itself need not be entirely forgotten. It might well be proclaimed by the Governor-General to fall upon the Sunday immediately preceding Armistice Day. Churches and other organizations could devote the day to solemn and prayerful remembrance of the services of our war dead and on Armistice day itself the usual 11 o'clock services at cenotaphs might be continued in addition if the public so desire.

It is unfortunate that the present plan of making a holiday of Remembrance Day turns what is a day of sorrow for the parents, wives and children of those who lie in France into a day of gay merry-making for other people, to whom it is just one more holiday.

TORONTO BUSINESS SHOW EXAMPLE OF PROGRESS

NO BETTER example of what twentieth century progress means in modern business equipment could be given than the exhibits displayed at the recently concluded Toronto Business Show. Demonstrations of the amazing machines, designed to improve operating efficiency in plants and offices, clearly indicated that there is no system now in use that cannot be improved by such devices.

Just as improvements in automobiles make obsolete the cars of five and six years ago, business equipment as it is now made renders inadequate systems that were considered the last word in 1926 or 1927. Engineering departments of business equipment manufacturers have been working overtime in the last two years to develop improvements, many of which had not even been conceived three or four years ago. The Business Show demonstrated the response of the manufacturers to the challenge of 1932.

In addition to helping executives in their work, machines and systems demonstrated at the show clearly indicated methods of reducing costs substantially in obtaining business as well as in handling it after it has been created. One business-getting machine costing $800 was declared by a leading Canadian manufacturer to be saving him $10,000 a year in cost of preparing sales material while doing a better job than his former methods.

It is to the credit of Canadian business executives, who requested demonstrations of devices exhibited, that the Toronto Business Show compared very favorably with the New York Business Show in number of such demonstrations and in interest shown by visitors. Executives and members of the Canadian Business Equipment Manufacturers are to be congratulated on the results of their initiative in presenting their products to Canadian business men.

NOT DEPENDENT ON U. S. PORTS

ANDREW CARNEGIE, occupying the unique eminence of a Britisher who never became entirely an American, was a bitter opponent of Joseph Chamberlain's Imperial programme of 1902. His chief objections were two in number. He knew that Chamberlain was wrong in attempting to make the Dominions the farms, and Britain the workshop of the Empire. Canada would never assent to that, Carnegie declared, and his appraisal of Canada's industrial ambitions has been proved to be right. Carnegie also believed that any Empire scheme that threatened to divert business from American manufacturers would alienate United States opinion to such an extent that Canada would be refused the privilege of exporting produce in bond from American ports. This would strangle Canada into submission to American representations, since export via Portland, New York, Baltimore and other United States Atlantic seaboard ports was vital to the very existence of Canada. Carnegie was aware that Montreal was only a summer port and he did not believe that Saint John and Halifax were capable of economic development at all.

Carnegie was not as happy in his second forecast as in his first. At considerable expense, but in a good effort at nation-building, Canada has made herself practically self-sufficient in her eastern outlets and could, if she found it necessary, get along entirely without shipping a dollar's worth of goods out of United States Atlantic ports.

Now our own efforts at the development of all-Canadian Atlantic routes have been supplemented by provisions in the British wheat preference that promise to give further impetus to a movement in which a large measure of success has already been achieved. The announcement by Leslie Hore-Belisha, financial secretary of the treasury, that the British wheat preference will not apply to shipments reconsigned from the United States, lends point, we think, to a discussion of this preference in these columns last August. At that time we remarked that the wheat preference was at best of doubtful value but that a reasonable interpretation of it by Great Britain would probably have an effect generally unforeseen, namely, to build up Canada's Atlantic coast ports at the expense of American ports. This forecast seems likely to come to pass.

It is pointed out by United States papers that the new British ruling is an interference with the natural laws governing trade and thus is to be considered as an experiment unlikely to prove of enduring advantage to the parties concerned. But for that matter, all of the Ottawa agreements are experiments and their final value is for the future to assess.

In the meantime the Western farmer is to share whatever advantage there is in the wheat preference with Montreal, Quebec, Saint John, Halifax and Vancouver—possibly even with Churchill.

GOVERNMENTS AS TRUSTEES OF PUBLIC FUNDS

THOSE who are truly concerned about the increasing expenditures of government must not stop at mere protest against rising tax rates. They must dig beneath the surface of the figures and uncover the real reasons why governments today spend a much larger percentage—at least twice as large—of the national income as they did before the war. Such digging would reveal that the important cause is an extension in the scope of government and that general extravagance and inefficiency are comparatively moderate causes.

Consider some facts. Our provinces spend over $50,000,000 a year on maintaining and protecting highways. They used to spend only a small sum on road development. The automobile created the demand for harder, wider, longer highways. Rightly enough the provinces have taxed the owners of motor cars to provide the revenues for highway work. Government expenditures have risen accordingly. But if governments had not provided the highways the motorists would have had to do it themselves, either through private corporations charging tolls or through huge trust funds to which all would contribute.

The weak point in the present system is that the motorists' payments for highways go into the general consolidated revenues of the provinces and the expenditures on highways come out of the same general pot but not necessarily at the same times or in the same proportions. If highway expenditures have, on the whole, averaged just about the equivalent of the highway revenues it is the result of fortuitous coincidence more than of planning by the provinces.

It would be better if each province were to establish a highway trust fund into which all motor vehicle fees and gasoline taxes would be paid directly and from which all payments on account of highway maintenance or interest charges would be drawn. The motorist would be certain then that he was getting value for his money and the provinces would guard themselves against over-expenditure of automobile revenues. And expenditures that are now regarded by the general public as additions to the tax burden would be considered as what they really are, contributions to a general trust fund made for the purpose of increasing the value of the automobile in the hands of the owner.

The idea of provincial trust funds for special purposes is capable of wider application. It had its precedent in earlier years when income from certain large land reserves was used for educational purposes.

The theory of death duties is that they are an enforced levy by the state upon wealthy people for philanthropic purposes. Many millionaires when they die leave large sums to charitable and similar institutions. But if they do not do so the state does it for them. Up to the point where the death taxes do more harm than good the theory may be all right but it is vitiated by the fact that the provinces pour their inheritance taxes into their common fund and spend on public welfare work without regard for the tax source invoked to provide the necessary funds. If the provinces are to continue public welfare activities on an increasing scale they should earmark the inheritance taxes and other taxes imposed for the purpose in order that the public might know for what purpose they were being taxed and what they were getting out of it.

EDITORIAL NOTES

Wall Street was panicky at the thought of a Democratic victory but seems to like the reality.

* * *

The Winnipeg Free Press has just celebrated its 60th birthday. That makes The Financial Post feel very, very young.

* * *

John A. Machray, Winnipeg trust fund embezzler, objects to the publicity he is getting. A little more publicity of his affairs a few years ago would have been a good thing.

* * *

Over the story of the United Grain Growers annual meeting, the New York Herald Tribune wrote this headline: "Canadian Pool Shows Profit." The U. G. G. seems to have a prima facie case for libel.

* * *

Charles Rist, N. Y. Times correspondent, Geneva, says that discussions of an International Monetary Committee preparing for the coming World Economic Conference showed that the Ottawa Conference was playing an even bigger rôle than many had ever expected it to do.

* * *

The Edmonton Journal thinks it would be unfortunate if the good work of acting president Hungerford of the C. N. R. were to be interfered with through onslaughts on him because of his expressed preference for private ownership. Most business men feel more like giving Mr. Hungerford a helping hand now that they know he is simply trying to make the best of an impossible job that has been given him.

* * *

Discussing the objections of the retail merchants of Saskatchewan to the plan of the wheat pool to sell binder twine and other commodities, the Regina Leader-Post says that the one important point is whether or not the provincial government is to risk public money in the venture or whether it will stand on its own feet. The present relations between the pool and the province make it clear where the losses would fall; on the province.

POST-scripts

ONE angle to the government's introduction of a mild inflationary policy is apt to be overlooked, namely, that it follows closely on radical changes in contract bridge scores. Moguls of the bridge world have decreed bigger and better premiums for grand slams; more pitiable than ever is the plight of the vulnerable and unsuccessful bidder. Now comes the possibility of easier money in Canada. Though we have not mastered the old method of bridge scores we are all for anything that makes for easier money at the bridge table.

THE man with a plan to save the world owes it to the world to make his plan public and to stand behind it publicly. The Financial Post receives many letters from readers who think they have found the key to the economic deadlock but nine out of ten of them conclude "Please do not use my name or initials."

Here is a letter from a reader who does not even want us to mention his home town lest someone trace his views to him. His plan is something like the McNary Hokum bill that Coolidge vetoed.

Since we can not trust ourselves to summarize it, not being sure we understand it, we publish it in his own words:

"The total production of Canada may be absorbed by the population of Canada.

"In order that the value of our total production may be maintained at the necessary level and thus safeguard the production of money, our foreign trade must be divorced from our domestic trade and each must be handled on a different price level by the means of an equalizing system.

"We only have three things to do:

"Raise all personal earnings to about 10 per cent above the 1928 average.

"Raise all domestic prices correspondingly.

"Create an equalizing board which would guarantee domestic prices for exports, lower the value of these to the world level and raise the value of imports to our level offsetting the loss in exports by the gain in imports."

If this reader will write us again about his plan and permit us to publish his name we'll give it further publicity. But we don't know how anyone can make it work.

Other People's Views

"Flutter" in Inflation

The Free Press, Winnipeg: If the action of the Dominion Government in this case does not set up reactions, it will do no harm and it may do some good. It will certainly strengthen the position of the banks. Even with the addition of the 35 millions, the total of discounts under the Finance Act is not formidable, and is not likely to give rise to fears of inflationary policies by the government. By reason of this strengthening of the bank reserves there could be, theoretically at any rate, a very considerable extension of bank credit. Whether there will be any large expansion will depend upon the extent of the confidence which would-be borrowers may have in their ability to make a profit out of the transaction, and the confidence which, in turn, the banker has in the borrower. The Ottawa innovation is thus not an end but a means to an end, and its operation will be followed by the public with interest and with a measure of hope.

Back to Rural Life

Regina Leader-Post: A despatch from Washington indicates that hard times have resulted in a trek "back to the land" in the United States. Present farm population of the country is estimated at 32,000,000, an increase of about 2,000,000 in three years.

Farm population in the United States reached a peak in 1910, the department of agriculture says, when it was 32,077,000. Thereafter it steadily declined for 20 years as country families moved into the towns to share the profits of the long industrial boom. Americans living on the land numbered 31,570,000 in 1920 and 30,069,000 at the start of 1930. The three-year depression has driven nearly two million people back to rural life, so that farm population now approaches its 1910 high point.

These figures, however, do not give a complete picture of the exodus from the cities. The department of agriculture says thousands of American townspeople have moved to villages to engage in subsistence gardening. Not occupying land units classified as farms, and not being engaged in commercial agriculture, they are not included in "farm population."

The Price of Money

The London Times.—A theory popular with certain people, especially Socialists, is that the banks could, by manufacturing money, force up prices. This theory owes its origin largely to experience of the War-time inflation of money. Governments at war are great spenders, and in the last War they were compelled to print tremendous sums of money to buy the things they needed, with the result that prices, wages, and profits rose enormously. In other words, the inflation reduced the value of money. As soon as this was realized by the public they got rid of money as quickly as they became possessed of it. The flight from money still further reduced its value. More and more money had to be printed, and in the case of Germany her currency ultimately became valueless. In other countries where inflation was not permitted to continue indefinitely the depreciation of money did not go beyond a certain point. On the contrary, as destruction ceased and production was resumed, money began to recover its value. The present troubles of the world are mainly the outcome of the inflation which was necessary to finance the War, and fresh inflation, though it would temporarily mitigate them, would, according to all past experience, ultimately intensify them. In theory if a currency is reduced in gold value prices of commodities rise in terms of the depreciated currency. That usually happens, but it did not happen in the case of sterling, except for a very short time because gold prices declined. This experience tends to show that while a country by depreciation of its own currency may raise its price level in terms of that currency, it cannot with such a device raise the world level of prices.

As Others See Us

The Sound View

Border Cities Star, Windsor, Ont.: Senator Meighen, contributing a special message to the silver anniversary of The Financial Post, makes this encouraging admission:

"A realization that no nation can live unto itself alone and that a spirit of international economic co-operation will usher in a return to more normal business conditions, is steadily growing."

We hope that Mr. Meighen's sound and sensible observation will not be overlooked by some other prominent members of the political party to which he belongs. "International economic co-operation" is essential to the return of prosperity—in Canada and everywhere else. And international economic co-operation is not achieved by building sky-high tariff walls and thus attempting to set up a condition of "splendid isolation."

National Radio

The Free Press, Winnipeg: The most recent viewing with alarm of The Financial Post is directed toward the future of national radio in Canada. Like some bold seer in a trance seeing all his own mischance with a glassy countenance does The Post gaze toward Ottawa. In short, it expects that very shortly the newly appointed commission will come to Parliament for funds. "Once the raid starts it may not stop short of $10,000,000, or even $50,000,000." Why stop there? Surely The Financial Post is not deficient in imagination? Make it an even $100,000,000.

In its final summing up The Post breaks into the prophecy concerning the $50,000,000. Why this sudden anguish? The Radio Commission cannot get such a sum, or any sum, from Ottawa without the vote of Parliament. The Commission hasn't asked for it. It hasn't even intimated that it has any idea of making such a request. In fact, it has only got itself appointed. The anxiety of The Post appears too premature, indeed it seems almost excessive as if it did protest too much.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

War Debts

IN HIS telegram to Franklin D. Roosevelt, inviting the president-elect to a personal conference on the war debts, President Hoover made it clear that United States policy up to the present has been opposed to any cancellation of these debts. That is where the position stands today, President Hoover emphasized.

This firm reiteration by the president, of what European observers would consider a no compromise policy seems to make a poor start for a series of war debts discussions involving chiefly United States, Great Britain and France. It seems to offer no promise that the spirit of Lausanne will pervade the Washington conversations.

* * *

BUT the stubborn insistence of President Hoover on the point of what is present United States policy is not to be regarded as definitely indicating what American policy will be when the conversations have concluded. Roosevelt has not made his own views on the war debts as explicit as has Al Smith but it would be in accordance with Democratic policy to make a compromise on the question, holding out to the American taxpayers the assurance of trade benefits.

Economists in the United States almost to a man favor writing down or complete cancellation of the war debts. Experts in governmental circles at Washington realize the intimate relation between the war debts and the present situation of economic distress and they too are privately urging some such action. For that matter, probably both Hoover and Roosevelt realize that the United States would be better off without collecting the war debts. But there are in Congress many cracker barrel politicians who know Britain only as a late enemy and Europe only as a land where the final objective of all diplomacy is armed conflict. The American people generally are divided on the question. One trouble is that France and Britain have been a little too adept at propaganda in the past and have fooled the American people more than once. Post-war revelations have made clear how propaganda was used in the war. Now the Americans are suspicious and when an economist declares with all the intellectual vehemence at his command that the war debts are not worth the collecting most Americans will think he is just a paid propagandist of some foreign power.

* * *

ALL THIS makes solution of the problem difficult but not impossible. The odds favor debt settlement but it will be a slow job. There is almost certain to be a rewriting of the British obligations in line with concessions already granted other countries but that would not go far enough. Rewriting of the war debts will be started by Hoover, working closely and in daily conference with Roosevelt, but it may not be completed before March 4 next when Roosevelt takes office. In any event, whether before March 4 or after there will be a Democratic congress to consider the matter.

It is an historical opportunity for statesmanlike co-operation on the part of Hoover and Roosevelt but it will be surprising if they use it to the full to force speedy action through a dramatic appeal to the heart and sense of the nation.

* * *

Roosevelt

CANADIANS have been expecting the Democratic election to bring into force in the United States some policies favorable to this country or favorable to recovery.

Hopes of immediate results in either direction should not be raised too high. The essential rigidity of the American political machine must be considered. Even a change in the party complexion of Congress does not alter policies as quickly as it can and does in Canada or Great Britain. But on the whole and over a term of years the Roosevelt policies are likely to be thoroughly constructive from an international as well as American viewpoint.

The new tariff bill will probably be some months in the making before it reaches Congress and it is certain to be debated long and furiously there. Over the four-year term of the Roosevelt administration — assuming it lasts no longer — some modification of American super-tariffs, particularly against Canada, is likely but it is not a prospect for the near future.

* * *

ROOSEVELT will probably carry forward the reflationary programme of the Federal Reserve Board but that he will do anything calculated to intensify the keen American distrust of inflation is unlikely. The greenback and free silver campaigns provided the American people with monetary inhibitions that are still an active force as witness the panic that was aroused when France withdrew gold from the excessive stocks of the United States to be added to the even more excessive stocks in the vaults of the Bank of France. But the plan of easing money by forcing credit upon the banks in the hope that they will be able to make business men use it productively will be continued in large measure just as it has recently been invoked in a moderate way in Canada.

* * *

DISCUSSION is rife as to Roosevelt's choice of cabinet advisers. He does not have to select a group of party stalwarts as in Canada, and the last thing he has to consider is whether or not the men he wants are members of the Senate or House of Representatives. He has almost the whole American field open to him. Obviously he is unlikely to select any Republicans although he could if he wished. Probably Newton D. Baker will be Secretary of State. This would be an excellent appointment that would insure breadth of vision in American external relations and that would win the commendation of internationalists the world over. Owen D. Young can have the treasury if he wants it but his acceptance is not better than a 50-50 chance. Second choice would probably be astute Chicago banker, Melvin A. Traylor who was once suggested by this column as having possibilities of being Democratic candidate for president. Jesse I. Straus, dry goods tycoon of New York, is suggested for commerce.

One thing is certain: Roosevelt can make it a cabinet of the talents if he wants to. Ten days after the election, the pre-voting uneasiness in Wall Street has an historical look of ludicrousness.

Monetary Experts Agree Return to Gold Desirable

Financial experts at Geneva, studying the monetary problems of the world preparatory to the world economic conference, unanimously recommend a return to the gold standard by the nations that have abandoned it.

Some of the expert opinion is in favor of an early return to the gold standard as recommended by the financial committee of the League of Nations several months ago. Others are of the opinion that international debts and tariffs will have to be dealt with more definitely before the monetary problems can be settled satisfactorily.

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Market for Canadian Herring

According to Paul Sykes, Canadian Trade Commissioner at Dairen, Manchuria is a promising market for Canadian salted herring, for which a regular demand might be built up. The Japanese fishing interests along the British Columbian coast are in touch with the larger import firms in Southern Manchuria.

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Business Conditions in Canada

The Week in Business

Pessimistic Period May Precede Debt Revision

U.S. Farm Board Surplus Worries Grain Marts

Retail Food Prices Rise Again

WITH presidential elections in the United States decisively out of the way, interest in foreign affairs has centred immediately on the war debt payments which fall due in the middle of December. Publication of the text of both French and British notes has been the most important world event of the week and marks it is hoped the rising curtain in the final act of a drama which has dragged on unhappily for over a decade. The very nature of the notes presented to Washington will probably necessitate publication of depressing statistical news during the next month for there is little question that the blunt financial facts of Europe's governmental balance sheets make very pessimistic reading and in order to achieve debt revision much of this unpleasant material will have to be uncovered.

Similarly it is reported from authentic sources that central and Eastern Europe are in a desperate condition with a great amount of interior debt cancellation requiring a substantial amount of financial readjustment that can probably only be achieved through the World Economic Conference. This conference looms more and more as a focal point in the world economic picture, and according to the Whaley-Eaton Service of Washington, definite agreement has already been reached by British and American delegates to the preparatory conference committee, that a financial policy of controlled inflation, designed to raise price of commodities and similar to that which Canada has experienced in mild form within the past two weeks, is imperatively required. These views are said to be in conflict with the French position which, with the background of a currency already devalued by four-fifths, is insistent on no further tampering with money. Outside the debt problem, the two major subjects on which the conference will deliberate, are removal of trade and exchange restrictions.

* * *

IN CANADA the frank statement of Prime Minister Bennett on the federal government operations in the wheat market had little immediate effect on trading and prices. For one thing the information has already been common knowledge for many months among all those connected with the grain market and on the other hand it will take some time for the significance of Mr. Bennett's statement to be realized throughout the country generally and in other lands.

Grain exports except at Vancouver have been none too good during the past week, the early export demand which followed the rise in wheat prices in the first week in November, having failed to carry very far. The most important factor in the wheat situation at present seems to be the uncertainty as to disposal of the U. S. Farm Board surplus. A forthcoming change in government in the United States plus the fact that the agreement to hold the board grain off the market expires in January, 1933, has brought about this uncertainty.

* * *

AMONG the business statistics made available during the past week, is the October index number of retail prices, rents and costs of service in Canada. The complete index number showed a slight decline from 81 to 81.4 during the month due to a drop of nearly 4 points in the index of rentals which is only compiled half yearly. Food prices, it is interesting to note according to this index showed further signs of stiffening and the index now stands at 63.6 as compared with the low point in recent years of 61.4 which was reached in July. The gain in retail food prices which occurred in August has been more than maintained and supports the belief that the low point in household foodstuffs was probably passed this summer.

RAW FUR TRADE REPORTS UPTURN IN RETAIL SALES

Prices Better and Outlook For Coming Year Good, Says 'Peg Report

From Our Own Correspondent

WINNIPEG.—It is doubtful if any commodity produced in Canada fared so well during the general decline of the past year as did raw furs. The raw fur season 1931-32, just closed, was characterized by a series of declines and moderate rallies which left the average of all articles about 25 per cent below the average for the 1930-31 season. At the close of the season, however, a rally which started in midsummer brought the price level up to about where it left off at the close of the previous season.

Fur market conditions in Western Canada have followed politico-economic events so closely during the year that it is scarcely necessary to review its trend for the average follower of business developments.

The statistical position of Canadian raw furs at the close of the present season was fairly satisfactory and stocks in dealers' hands are comparatively low. This is favorable to profitable operation during the season which is just about to commence.

The brightest spot in recent trade developments has been the sharp upturn in retail sales. Furriers report that during July and August they experienced a buying rush that boosted volume as much as 200 per cent above the same period last year in some cases. They explain this by the fact that a large accumulation of replacement business had piled up and prices had reached a point that attracted this business in substantial volume. It is doubtful, they predict, if fur garments will ever be obtainable at such low prices again as prevailed during the August sales.

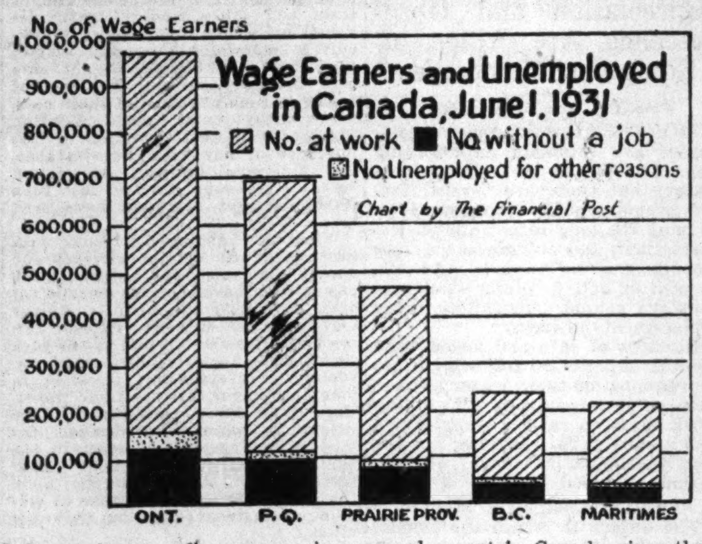
The manufacturing furrier has also had a period of unusual activity. The Eastern manufacturer appears to have withdrawn from the Western field of competition. This is undoubtedly a temporary condition caused by nervousness about credit conditions here, but it was of course immediately reflected in the business of the Western manufacturer.

The Western fur garment manufacturer has always been predominantly a producer of staple lines and this appears, also, to have given him a slight "edge" in competition with his Eastern confrères. Novelty and "fancy" lines have naturally been largely neglected throughout Canada in the past year or two. One Winnipeg manufacturer reports that he has been able to invade the Eastern market this year to a modest extent. Such a condition is peculiar to the times and will not continue, experienced observers believe. Manufacturers here will do well if they can capture and hold the Western market.

All reports from the north indicate an unusually large raw fur catch in the coming season and the few odd skins which have already arrived are of much better quality than the first shipments a year ago.

The season is starting off with prices low and the trade believes that if they can be kept down within reason a profitable season will be enjoyed. The January and February slumps in fur have long been an obstacle in fur trading activity here. Starting at a low level, it is believed that furs will not encounter the usual slump at that time.

15 Per Cent of Wage-Earners Unemployed



Release of census figures covering unemployment in Canada gives the first official picture of the nature and distribution of this problem in the Dominion. The relation of unemployed to total wage earners is shown above for each economic area.

Half Million Wage Earners Found Not Working June, 1931

Canada's First Unemployment Census Finds One Male Wage Earner Out of Every Six Unemployed at Date of Return

A preliminary 12-page report issued last week by the Census branch of the Dominion Bureau of Statistics gives Canada its first official picture of unemployment ever made available in this country.

On June 1, 1931, according to this analysis there were 2,564,879 wage earners in Canada of which 2,093,211 or 81 per cent were actually at work at that date. Of the remainder—the 471,668 wage earners not at work on that date—392,809 stated that they had no job and may therefore be classed as strictly unemployed. The remainder gave as their reason for not being at work various reasons such as being temporarily laid off, idle due to sickness or accident and so forth. Approximately five out of every six who were not at work on June 1, 1931, were therefore "unemployed" in the ordinary sense of the word. They represented 15.3 per cent of total wage earners at that date.

Analysis of total Canadian wage earners together with reasons given by those who were not at work as at June 1, 1931, follows:

Wage Earners and Unemployed in Canada, June 1, 1931

	No. of wage earners	Ratio %
No. of wage earners	2,564,879	100.00
No. of wage earners at work	2,093,211	81.61
Causes given by wage earners for not being at work on Monday, June 1, 1931:		
(1) Industrial:		
No job—unemployed	392,809	15.32
Temporary lay off	42,443	1.66
Strike or lockout	379	0.01
(b) Personal:		
Illness	25,718	1.00
Accident	4,459	0.17
(c) Other:		
Other	2,277	0.09
Not stated	3,583	0.14
Total not at work	471,668	18.39.

B. C. Has Highest Ratio

Another interesting picture of the unemployment situation as at that date is the following table showing the distribution of unemployment according to provinces. It will be seen that the number of strictly "unemployed" ranges from 620 persons in Prince Edward Island to 130,268 in Ontario. On a percentage basis, the spread is very wide with Prince Edward Island again on the small end having only 5 per cent of its wage earners unemployed, and British Columbia with the highest ratio, namely 21.5 per cent. It will be noticed that at that date, Ontario had total wage earners of almost a million within her borders.

	Total wage earners	Number not at work	Unemployed*	%†
P. E. I.	12,291	835	620	5.0
N. S.	117,444	23,036	14,123	12.0
N. B.	83,761	16,754	14,001	16.8
Que.	698,351	116,957	100,442	14.5
Ont.	963,636	160,035	130,268	13.5
Man.	170,792	36,529	32,176	18.8
Sask.	145,445	28,877	26,326	18.1
Alta.	142,090	30,699	24,212	17.0
B. C.	234,321	57,844	50,490	21.5
Canada	2,564,879	471,668	392,809	15.3

*Those not at work who gave as reason, "No Job"

†Ratio of unemployed to wage earners.

Another feature of the data analyzed to date is the distinction as between male and female workers. According to the census returns, of the 2,564,900 wage earners at June 1, 1931, just over two million were males and the remainder, 547,273 were females. Analyzing these according to whether they were at work or not it is found that a much smaller percentage of total female workers were "not at work" on the census date. Thus 91 per cent of all female wage earners were at work on the given day while only 79 per cent of males were so classified. The percentage of "not at work" male wage earners was considerably more than twice as large as among female wage earners.

A similar conclusion is obtained by analysis of the really "unemployed" on the census date. Total females unemployed on June 1, 1931, is shown at 36,260 or 6.6 per cent of female wage earners. Thus one out of every six male wage earners and one out of every 15 female wage earners was unemployed as at June 1, 1931.

Urban Centres Analyzed

A very important part of the figures contained in the preliminary unemployment report is the distribution of wage earners and unemployed in the urban centres of Canada. The data used to analyze urban conditions is comprised from returns covering wage earners of 20 years of age or over, resident within the 533 urban municipalities of 1,000 population or over. These municipalities it is found had an aggregate population of 5,160,900 or 49.7 per cent of the total population of Canada. Of this total, 1,544,014 were wage earners of 20 years, which represents 60.2 per cent of all the wage earners of all ages in the dominion. Further it is found that there were also in these urban centres, an additional number of approximately 220,000 wage earners under 20 years of age making the total population of wage earners in urban centres, 1,764,000 or 68.8 per cent of the grand total for all Canada.

Unemployment in the urban cities it is found tallies very closely with unemployment in all Canada the ratios being 18.79 and 18.39 per cent respectively. Analyzed by sex however it is found that urban male wage earners were rather less fully employed in urban communities than out of them, with the reverse true of female workers.

Gasoline Sales For July Slightly Higher Than June

Sales of gasoline in Canada during July increased 0.13 per cent to 51,331,174 gallons from the June total of 51,174,322 gallons but declined 23.2 per cent from the July, 1931, sales of 66,795,000 gallons.

Ontario sales were 22,037,000 gallons, Quebec 10,591,000, British Columbia 4,117,000, Alberta 3,926,000, Saskatchewan 3,451,000, Manitoba 2,915,000, Nova Scotia 2,275,000, New Brunswick 1,662,000 and Prince Edward Island 357,000.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Nov. 5)	45,536	61,559	1,865,994	2,182,721
C.P.R. gross earn. (Nov. 7)	$ 2,518,000	$ 3,512,000	$ 105,899,000	$ 125,259,000
C.N.R. gross earn. (Nov. 7)	$ 2,789,751	$ 3,710,130	$ 124,203,628	$ 152,281,821
	Monthly			
C.P.R. net earn. (Sept.)	$ 3,722,576	$ 3,099,854	$ 10,531,370	$ 12,792,166
C.N.R. net earn. (Sept.)	$ 2,828,833	$ 1,387,081	$ 6,200,117	$ 3,565,770
Iron and Steel—				
Pig iron, tons (Sept.)	5,709	17,585	96,219	380,322
Steel, tons (Sept.)	23,139	33,390	257,843	582,855
Automobiles prod. No. (Sept.)	2,342	2,646	58,550	77,495
" exports, No. (Sept.)	1,717	787	7,942	13,044
Construction—				
Building Permits (Sept.)	$ 2,203,230	$ 10,407,999	$ 32,340,749	$ 88,602,995
Contracts (October)	$ 8,875,600	$ 28,789,200	$ 118,510,400	$ 279,582,500
Newsprint—				
Production, tons (Sept.)	150,691	178,412	1,451,168	1,687,758
Exports, tons (Sept.)	119,277	161,170	1,337,263	1,504,222
Sugar—				
Imports, raw, lbs. (Sept.)	57,911,500	71,618,900	577,924,500	611,626,900
Melt. & ship., lbs.*	92,289,204	83,955,260	661,401,963	686,964,423
Manufactured, lbs.*	106,613,372	96,184,968	656,614,187	674,309,039
Flour—				
Production, bbls. (Aug.)	1,272,009	1,333,287	8,406,423	9,301,068
Wheat flour exp., bbls (Sept.)	385,113	556,565	3,534,100	4,210,968
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Sept.)	35.45	86.86	534.96	731.64
Boots & shoes, pr. (Sept.)	1,723,202	1,672,437	13,940,630	13,735,242
Petroleum, imp. crude, gal. (September)	76,913,048	96,534,568	721,878,603	765,072,912
Cotton, imp., raw, lbs. (September)	4,553,000	4,999,000	61,132,000	60,334,000
Rubber, raw, imp., lbs. (Sept.)	6,204,026	3,438,177	38,473,961	44,819,185
Coal, imports, tons (Sept.)	1,296,274	1,484,059	7,939,816	9,583,374
Gasoline sales, gals. (July)	51,331,000	66,795,000	264,751,000	297,475,000
Trade—				
Imports (September)	$ 34,504,129	$ 45,379,099	$ 348,789,473	$ 494,965,007
Exports (September)	$ 42,186,815	$ 48,991,885	$ 348,729,930	$ 439,055,660
Wheat exports, bus. (Oct.)	40,192,415	18,925,303	173,182,780	145,117,574
Labor—				
Employment Index (Oct.)	86.7	103.9	....	....
Electric Power—Output—				
M. Kilowatt hours (Sept.)	1,279,136	1,288,413	11,613,427	12,107,854
Finance—				
Failures, No. (August)	188	155	1,588	1,416
Failures, Liabilities (Aug.)	$ 2,825,097	$ 2,350,094	$ 27,023,387	$ 27,715,048
Bank debits† (Sept.)	$ 2,097,931	$ 2,450,545	$ 18,926,189	$ 23,519,655
Bond sales (Oct.)	$ 22,546,105	$ 1,048,629	$ 294,132,908	$ 387,903,879
Insurance sales (Sept.)	$ 25,207,000	$ 30,066,000	$ 306,579,000	$ 367,283,000
Automobile Financing:				
Used cars (Sept.)	$ 959,221	$ 1,374,500	$ 10,805,763	$ 17,565,601
New cars (Sept.)	$ 941,610	$ 1,239,434	$ 11,010,252	$ 17,740,962

*Four weeks' period, Sept. 17 to Oct. 8.

†(000's omitted).

NEW D.B.S. FIGURE CUTS WHEAT CROP BY 8 PER CENT

November Figures Show Many Changes in Prairie Yields

A drop of 35,000,000 bu. or 8 per cent in the estimate of this year's wheat crop in the Prairie Provinces is the feature of the preliminary estimate of field crops of Canada made by Dominion Bureau of Statistics and published November 10.

The new figure which is more nearly in line with previous estimates by private organizations, indicates a prairie wheat crop for 1932-33 of 411,000,000 bushels as compared with a previous estimate of 446,000,000 bu. by the D. B. S. and a last year's crop thought to range between 285,000,000 and 305,000,000 bushels. Final figures for the last year's crop (season of 1931-32) will not be available until early in 1933 when the official figures of the Board of Grain Commissioners are available.

Rye and Flax Down

Similar reductions are made in estimates of other field crops, chiefly in the Prairie Provinces. Oats production in the three Prairie Provinces is now estimated at 247,300,000 bu. a drop of 10 per cent from the September figure and which compares with a finally estimated figure of 183,700,000 bushels in 1931-32. New barley figures indicate a crop of 65,569,000 bu. a drop of 7 per cent from the previous estimate and comparing with a production of 50,540,000 bu. a year ago. Rye production in the prairies is now placed 24 per cent lower at 8,763,000 bu. as against a previous estimate of 11,586,000 bu. which compares with 4,157,000 bu. produced a year ago. Flax production in the prairies is also much lower now estimated at 2,453,700 bu. or a drop of 20 per cent.

Commenting on the considerably revised estimates for November, Dominion Bureau states.

"The obvious explanation of the reduction lies in the impossibility of estimating the effects of drought and other depreciating influences on yield until actual threshing operations were in progress. The western crop was encouraged in stooling and leaf growth by heavy June rains. When drought and insects later began to cause damage, the effects on the development and weight of the kernel were obscured by the heavy growth of straw and the damage was underestimated when the first yield reports were filed at the end of August. Threshing has proceeded at a very satisfactory rate since that time, although rain and snow in the north and west caused some concern. The present figures are based largely on threshing returns.

"The heavy marketings up to date may suggest that there is undue pessimism among our correspondents regarding yields. In the period from August 1 to October 28, the deliveries at country elevators and platform loadings were approximately 26.2 million bushels in Manitoba, 119.1 million in Saskatchewan, and 69.7 million in Alberta, making a total of 215 million bushels. At the present date, deliveries have exceeded 230 million bushels. On a crop estimated at 411 million bushels, total commercial marketings should be in the neighborhood of 355 million bushels. Up to the present, 64.8 per cent of this amount has been delivered, which is a considerably higher proportion than is usual at this period of the year."

Detailed figures follow:

Field Crops of Canada, 1931-1932

	1932* (bush.)	1931 (bush.)
Fall wheat	15,463,000	15,475,000
Spring wheat	415,787,000	288,669,000
All wheat	431,200,000	304,144,000
Oats	394,876,000	328,278,000
Barley	82,981,000	67,382,600
Fall rye	7,760,500	3,873,000
Spring rye	2,176,500	1,449,000
All rye	9,937,000	5,322,000
Peas	1,505,800	1,369,400
Beans	1,059,600	1,304,100
Buckwheat	8,281,000	6,916,700
Mixed grains	39,878,000	39,431,000
Flaxseed	2,533,700	2,565,000
Corn, husking	5,231,000	5,449,000

*Provisional estimate, Nov. 10, 1932, D.B.S.

Field Crops of Prairie Provinces

	1932 (bush.)	1931 (bush.)
Wheat	411,000,000	284,000,000
Oats	247,300,000	183,700,000
Barley	65,569,000	50,540,000
Rye	8,763,000	4,157,000
Flaxseed	2,453,700	2,470,000

Business Briefs

Average Value of the pound sterling, declared by the Department of National Revenue, Ottawa, for special duty purposes, is $3.71 effective for entries between Nov. 16 and Nov. 30, 1932.

Car Loadings for the week ended Nov. 5 were 45,536 cars, a decrease of 1,157 cars from the previous week and 16,023 from the corresponding 1931 week. This caused a drop in the index number from 58.32 to 57.78 for the week, being a new low record for this year. Grain loadings have fallen off steadily since the peak reached eight weeks before. Merchandise loadings were down 288 cars for the week, but coal was higher by 873 cars and coke by 144 cars.

Wheat Stocks at Nov. 4, 1932, amounted to 242,088,307 bus. compared with 239,434,997 bus. in the previous week and 170,642,297 bus. a year ago. Export clearances for the week ending Nov. 4 were 6,368,761 bus. compared with 6,129,814 bus. in the corresponding week of 1931 and 5,270,666 bus. in the previous week.

Canadian Exports Rose $14,439,280 in October

There was a sharp upturn in Canadian trade last month. Domestic exports in October totalled in value $56,626,095, which was an increase over September of $14,439,280 and an increase over October, 1931, of $1,088.178. With the exception of $59,833,245 in May, 1931, and $57,486,950 in November, 1931, it was the highest monthly export since December, 1930, when the total was $66,819,668.

Imports have also increased substantially. The October imports totalled $37,094,525 which was $2,590,396 over September and the highest since June, 1932, when the total was $40,743,105.

Exports of Canadian domestic products in the last three months, August, September and October totalled $140,127,030 and in the previous three months, May, June and July, $123,722,178, an increase of $16,404,852.

Exports of Canadian domestic products in the six months ending October amounted to $263,489,208 and in the previous six months ending April, 1932, $252,249,243, an increase of $11,599,965.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Swift Canadian Co. has built a new $75,000 plant at New Westminster, B.C., to manufacture shortening.

A new oil refinery is being built in Edmonton by Calgary interests at an initial cost of $25,000 for the first unit, and it is planned ultimately to spend some $300,000 on the project. The plant is to be located on 103rd St. and will refine Turner Valley, Montana, Texas and Pennsylvania crudes.

Dr. Hess & Clark, Inc., has taken a factory building in London, Ont., to manufacture live stock and poultry remedies in Canada.

Canadian Mould & Tool Co. has taken over a building in Welland, Ont., to manufacture rubber and bakelite moulds and precision tools.

Royalite Oil Co. has commenced construction of an absorption plant at Turner Valley, Alberta, to cost $500,000 and which will extract naphtha from gas now being burned in the Turner Valley. It is expected to be completed about March 1, 1933.

Sorel Steel Foundries is making extensive additions to its plant at Sorel, Que., for the manufacture of industrial alloy steel casings.

Dominion Cooperage Co., of Hamilton, Ont., are constructing a new plant at Sawyerville, Que., at a cost of $40,000 to manufacture barrel staves.

Robo Ltd. has taken offices in London, Ont., to distribute Robo gas, a European chemical compound used for treating gasoline fuel for automobiles.

Canada Briquette Co., a new incorporation, has leased the Rogers Road Brick Plant in York Twp., Ontario, where they will manufacture coal briquettes. Officers are T. McLaughlin, president and general manager, Orville Collacutt, vice-president and production manager, and W. J. McLaughlin, sales manager.

Humber Memorial Granite Co., a new company, has leased property on Gooch Ave. in York Twp., Ontario, and will manufacture memorial stone, sills, caps, and stone work for residential buildings and apartment houses. A. Diack is president and W. Mitchell is vice-president of the company.

Gold Production in B. C.

Production of all minerals in British Columbia during the first six months of this year is valued at $14,336,060.

Commodity Prices

Current Prices at Wholesale‡
(N.Y. unless otherwise stated)

	Week ending Nov. 12	Previous week	Last year
Cattle (cwt.) (Toronto)	$4.35	$4.75	$6.25
Copper, lb.	.0525	.0525	.07
Cotton lb.	.0655	.0545	.0645
Rubber, lb.	.0354	.0345	.0460
Silk, lb.	1.70	1.69½	2.32½
Sugar, raw, lb.	.0315	.0310	.0338
Wheat (Man.) bu.	.47¾	.48	.63¼
Hides, lb.	.06½	.06½	.08¼
Coffee, lb.	.08	.08¼	.06⅝

Weekly Indices*

N. Y. Annalist	88.9	88.5	102.6
Fishers	60.3	60.2	†72.6
N. Y. Journal of Comm.	58.7	57.3	65.5
Crumps (Brit.)	62.7	62.5	†64.9

*N. Y. Annalist base, 1913, others 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. month	Last year
Canada (D.B.S.) w'sale (Sept.)	66.9	66.8	69.8
Retail (Sept.)	81.3	81.5	89.6
U. S. Labor (Sept.)	65.3	65.2	71.2
Gt. Brit. (Sept.)	68.9	67.2	67.0

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15, New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

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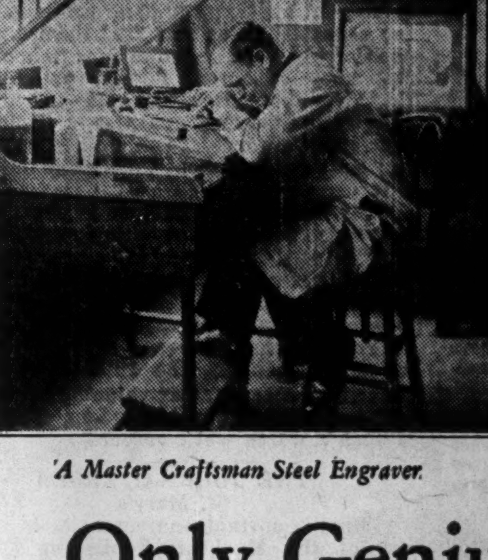

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PRICE BROS. LOSS IN SEVEN MONTHS TOTALS $429,692

Some Improvement Noted in Balance Sheet Position

From Our Own Correspondent

MONTREAL.—Interim financial and income statement on Price Bros. and Co., covering the seven months ended September, 1932, indicates an operating loss after all charges not including depreciation, depletion and sinking fund, while the balance sheet has undergone some improvement.

Income for the period amounted to $666,150. Administration and general expenses, as well as provision for the recent price reduction, pensions and discounts, brought net income down to $145,915. Against this there were interest charges of $188,398 on bank and other loans and $387,156 bond interest, making a loss for the seven months period of $429,639.

No provision was made for depreciation or depletion. Sinking fund requirements not provided for to date amount to $491,692.

Realize on Inventories

The balance sheet as at September 30, 1932, indicates a number of changes from that reported at the end of last February. Current assets have declined from $6,664,030 to $5,985,358. The principal change here is in the realization of inventories, which have been cut down from $4,874,620 to $4,456,022.

Investments, marketable and other securities, have increased from $2,702,337 to $2,559,461.

Reduce Bank Loans

There are no other changes of importance among assets.

On the liabilities side of the balance sheet, current liabilities have dropped from $6,570,774 to $6,313,118. Bank loans have been reduced from $4,695,500 to $4,145,000. A bank overdraft of $13,798 at the end of February has been eliminated.

It would appear that current accounts payable have been further segregated. The balance sheet shows these accounts at $628,191, as against $1,388,824 at the end of February. Offsetting this decline is the appearance of a new liability — $713,014 representing monies with interest to date owing to St. Maurice Valley Paper Corp.

Loan From Aluminium

Among the new liabilities is a loan of $150,000, due April, 1933, to the Aluminium Ltd. There is also $80,000 due April 30, 1935, listed under "agreement payable on property."

There is no change in reserves or capital liabilities.

The profit and loss account balance of $175,254, at the end of February last, has been converted into a deficit of $254,384.

DOMINION COAL PLANS ENLARGE SPRINGHILL UNIT

Officials Reach Decision on Development Work

From Our Own Correspondent

MONTREAL. — Dominion Coal Co., controlled by Dominion Steel and Coal Corp., has decided to commence operations next month in developing Number Four mine in Springhill.

This decision was arrived at following conferences between representatives of the company, provincial government and the town. Earlier it was stated that the problem of financing prevented the company carrying out its policy in connection with this mine, but this difficulty has apparently been overcome.

The development work, suspended several months ago, will start at the 3,300 ft. level and will be carried on from that point. Two stone tunnels will be driven to connect with No. 6 and No. 7 mines and the coal haulage from these two slopes will be made through No. 4 at the completion of the work.

Will Press Work

The time required for the job will depend upon the conditions confronted in the tunnels, but it is the intention to press the work. Besides linking up with No. 6 and No. 7, the new work will make it possible, if necessary, to open up with the old No. 1 and No. 3 mines, as well as No. 2, the pit which has been the big producer in Springhill for the past twenty years.

Further than this Dominion Coal Co. has in prospect a common bank head for all the mines. There is no definite word on this development at the moment.

Smaller Output in October

Output of the Dominion Coal Co.'s collieries during October totalled 169,000 tons, as compared with 155,000 tons during the preceding month.

The output of the same collieries in October last year was 228,000 tons.

Imperial Tobacco Cuts Prices of Cigarettes

From Our Own Correspondent

MONTREAL.—Imperial Tobacco Co. of Canada has reduced prices of nearly all its brands of cigarettes following reduction of excise tax from $6 to $4 a thousand. Packages of 20 which formerly sold for 25 cents now sell for 20 cents; the old package of 12 cigarettes priced at 15 cents is supplanted by a 10 cent package of 10 cigarettes.

Increased sales are anticipated as a result of this reduction. There is hardly time for the new prices to be reflected in earnings for the current year and it will not be until the end of 1933 that results can be rightly judged.

Total Canadian cigarette sales have declined by about 20 per cent to date compared with 1931. Imperial Tobacco, as the largest producer in the Dominion, has felt the effects of this drop though it is understood that important economies have been effected in operating costs.

Use Planes in Fishery Patrol

During 1931 the seaplanes employed in the fisheries patrol service in British Columbia, under the Dominion Department of Fisheries, were on flying duty about 320 hours. Planes have been used in this service for several years past, with very satisfactory results, it is said.

Silver Anniversary Messages

HON. L. A. TASCHEREAU
Prime Minister of Quebec

"In trying times such as these, it is most gratifying to see how Canadian courage and fortitude are standing the test.

"For our own part, in the Province of Quebec, each and every one is doing all that can be done to help Canada and her provinces safely weather the economic storm of depression.

"Of course, here as elsewhere, 1932 figures cannot compare, in a general way, with those of former years; still, in many domains, our province is making headway.

"For instance, while in four other provinces bordering sea and river, the production of fisheries has fallen, our own has gained by 6,151,000 pounds.

"Although mineral production has been hard hit throughout Canada, and we have had our share of depression in this direction also, as a gold producer Quebec now holds the second place among the provinces, the output for the nine months of 1932 being valued at $6,489,343 or nearly $300,000 more than for the whole year 1931. For the last six months, the production of magnesite and iron pyrite exceeds by a generous margin that of the corresponding period of the preceding year.

"Our Bureau of Mines is studying new industrial applications of science in the metallurgical field, and we are advised the day will come when rock wool may be manufactured from molten dolomite, which would permit the commercial use of important mineral deposits.

"Those are only a few examples of the ever progressive spirit animating our people and government.

"We are planning ahead, not only in the hope, but in the assurance of better days to come. History teaches us that no persevering effort is lost which is made in devotion to the great cause of national recuperation.

"Thrifty, industrious, loyal to God and fellow citizens, the population of the Province of Quebec set to their task with the utmost energy and confidence, true to their Canadian ideal of prosperity, peace and happiness through the close co-operation of government, clergy, trade, commerce, labor and agriculture.

"Such ideals of daily practical observance are our treasured, though not selfish possession.

"We gladly extend our hand to all those who have done so much in spreading them around as the Gospel of Canadian endeavor and achievement.

"And I may state that The Financial Post, identified with the very development of Canada and of Canadian ideals, has merited both public praise and gratitude."

THE DAILY STAR
Toronto

"The Financial Post has been celebrating its silver anniversary, which proves, of course, its sterling metal."

THE STANDARD
St. Catharines

"The Financial Post has issued a very attractive and informative silver anniversary number. And readers will find a silver lining in the issue."

THE WHIG-STANDARD
Kingston

"The Financial Post observes this week its twenty-fifth anniversary with a special edition in which it presents views of a large number of Canadian business leaders on the present and future outlook and reviews its own history of a quarter century. In the latter, which recalls some of the difficulties and problems of the period and notes the country's forward progress, may be found a lesson of encouragement and grounds for optimism as to the future."

THE EXPOSITOR
Brantford

"The Financial Post, a weekly publication devoted to sound business and safe financing, has just celebrated its twenty-fifth birthday. The publication has from the first pursued a fearless and courageous course in its chosen field and it was the pioneer in starting the agitation which led to the brokerage exposure. It is impossible to exaggerate the value to the general public of a paper which thus, without fear or favor, continually sounds the tocsin of intelligent caution and sane methods. Speaking generally those who find themselves in a position to invest, are entering a field of which they know absolutely nothing and too often they mistake tinsel for gold and doubtful stocks as possessing qualities of lifelong and continuous returns. To this class, the Financial Post renders most timely and important aid.

"The anniversary number is characterized by a reasonable note of optimism without any blinking of the facts and the circumstances as they at present exist. Courage and a clear outlook are urged if existing circumstances are to be overcome. The Expositor joins its hearty congratulations to those of so many others in the achievement by The Financial Post of a quarter of a century of valuable service and wishes for the publication a long continuance of such a worth while career."

THE JOURNAL-ARGUS
St. Mary's

"Three important anniversaries in the history of the MacLean Publishing Co., the largest publishing house in the British Empire, have all occurred during the present year.

"In the first place it is just fifty years since John Bayne Maclean, then just a slip of a boy, started the first Maclean paper. Then Col. Maclean has just celebrated his seventieth birthday. The third anniversary to be celebrated this year, is the twenty-fifth birthday of The Financial Post, founded in 1907.

"The Financial Post has issued a very interesting special issue, commemorative of its quarter century of progress. A notable feature of the issue is a multitude of letters from the leaders in financial and industrial life, commending the valuable service that The Financial Post has rendered to Canada.

"Col. John Bayne Maclean is a son of the manse. He was born at Durham and during his later teens, taught school. He secured his early newspaper training in the financial news departments of the Toronto World and Daily Mail. Starting in a small way, Col. Maclean steadily progressed, adding a paper to his list from year to year. His publications have notably increased in size, importance and influence. Those of his periodicals best known to the public are Maclean's Magazine, The Financial Post, Mayfair, Chatelaine, and there are a number of trade and technical journals, about thirty in all.

"The Maclean publications are distinguished for their enterprise, independent editorial attitude, and for the complete and high quality service provided to their readers and advertisers. Major Hugh C. Maclean, publisher of another well-known group of papers, is an only, younger brother of Col. John Bayne Maclean."

THE TIMES-JOURNAL
St. Thomas

"The Financial Post has issued its silver anniversary number, having been 25 years in existence. It was founded in 1907 at Toronto by Col. John Bayne Maclean, head of the great MacLean Publishing Company. We offer our congratulations to it and its president. The Post has, during the past 25 years, grown up with prosperous Canada, rendering those who invest and others who watch the financial pulse of the country, a great service.

"A most interesting feature of the silver anniversary edition is the large section devoted to the opinions of sixty-seven business leaders on the outlook for Canada. All of the eminent men of the Dominion are there and each statement is signed in the handwriting of the maker, so that one can read the optimistic messages and see something of the character of the man at the same time.

"It is reassuring to note that the consensus of opinion in the anniversary number, voiced by these leaders in Canadian business, is that the darkness of the depression is ending and the dawn of better days is at hand.

"May we express the wish that The Financial Post enjoy in the future the prosperity it has in the past 25 years and add that its contribution to Canada has been a useful one which has earned the appreciation of those—the thousands who enjoy it. Congratulations to its founder and editors."

THE FREE PRESS
London

"The Financial Post, a weekly publication of interest to all financial, business and professional men, in the current issue celebrates its 25th birthday with a silver anniversary number that is a credit to its editors and publishers. It is a 36-page historical review of the progress of Canada in the last quarter of a century, combined with authoritative comment on the present, and restrained predictions as to the future. Nobody can read this number and observe the great strides forward that Canada has made in 25 years without a feeling of encouragement. No country which has made such remarkable progress as this Dominion, with a population of something like 10,000,000, can be very seriously embarrassed even by a depression in business and industry which is world-wide in its scope and effect. The Financial Post's anniversary edition is a tonic for those who think that the country is going to the dogs.

"Sixty-seven business, industrial and professional leaders write their opinions of the past, present and future. It is noteworthy that they show a marked distaste for nostrums and panaceas as a cure-all for economic ills. They face the facts as they are today, and propose to get us out of our difficulties in a sane manner. People have become tired in the last three years of hearing the so-called expert economists predicting that prosperity was just around a corner that never materialized. It is refreshing to hear the views of men who state the facts and give their opinions with courage and candor.

"Throughout the whole edition there is a note of optimism, but a restrained and judicious optimism. There are no wild and obviously ridiculous predictions that we shall, overnight, emerge into a period of unprecedented prosperity, but there is the more credible prediction that the turn is bound to come, and that already the signs are apparent if one cares to look for them. On the whole, The Financial Post has done Canada service in this anniversary edition."

THE DAILY NEWS
Truro

"All men are liars. This time honored declaration is accredited to King David, whom it is added, spoke in haste. The editor of the Toronto Mail is reported to have made a like statement, by way of advice, to one of his young reporters. That reporter was John B. Maclean. Years have passed. The young reporter is now Lt. Col. John Bayne Maclean, president of the MacLean Publishing Co., the outstanding publishing house of the Dominion of Canada. Col. Maclean is an empire and international character.

"Today as one of his publications, The Financial Post, is observing its twenty-fifth anniversary, it is interesting to note his recall of the old chief's declaration about universal mendacity and also to note his own estimate on the subject.

"'About the only advice my chief on The Mail ever gave me was to get the news if I could but to remember that all men are liars.' 'This,' states Col. Maclean in The Financial Post's anniversary number, 'was perhaps over ninety per cent true in business where current prices were involved.'

"'But,' he adds and adds with significance, 'a good editor can build about him the ten per cent who will not mislead him under any circumstances and eventually he can put enough fear into the others who are worth bothering with that they will hesitate to mislead him.'

We would further quote this master journalist:

"'Recalling my associations of nearly fifty years, it is a remarkable fact that the men who were eventually successful, who came to the top in a big way, were the 10 per cent who were always reliable—men who never misled me.'

"The success that has followed and is following Col. Maclean's efforts must be inspiring to young manhood throughout Canada. It is an especial inspiration to those engaged in publicity work but it also has real value for every young man and woman desiring to make the best out of life.

"Linking up with solidly honest people, but at the same time giving due regard to the fact that there are many dishonest people in the world is a rule of life which if consistently practiced will undoubtedly contribute very largely to success. And most assuredly the violation of the rule will spell disaster.

"No finer tribute could be paid to the man who has made an outstanding success, whose name today is known around the world than to pay heed to his appeal to link up with honesty.

"In our humble way we extend our heartiest congratulations to Col. Maclean's publication, The Financial Post, on attaining with such marked virility its twenty-fifth birthday. We extend our best wishes for future and even greater success and in so doing commend the fine stand on integrity taken by the eminent publisher."

SURVEYS OUTLOOK OF ROLLING STOCK MANUFACTURERS

Depreciation and Obsolescence Are Allies of Equipment Companies

From Our Own Correspondent

MONTREAL.—Equipment companies are probably experiencing the worst period in their business history but there are several factors which should be considered in viewing the long term outlook. Depreciation and obsolescence are steadily making inroads into idle as well as active rolling stock and railways cannot indefinitely delay replacement business.

Builders of cars and locomotives point to experiences following other depressions in their history. Each time a large surplus of rolling stock has been rapidly transformed into a substantial shortage and the supply companies have enjoyed periods of good business.

Much Equipment Idle

The extent to which the impact of the recent slackening in railroad traffic has affected the railroad industry is seen in a survey by The Index published by the New York Trust Co. which estimates that approximately 21 per cent of the total rolling stock and motive power of the railways in the United States was idle in 1931.

The article has some pertinent facts in relation to the equipment industry which may well apply to Canadian roads and be of interest to investors in equipment companies' securities. The Index continues in part:

"Of course, depreciation and obsolescence are not overcome simply because rolling stock is idle. Recent developments in locomotive design have increased their power, capacity and efficiency to such an extent that, in many instances, it probably would not pay to return a substantial number of them to active service. At the end of 1931, Class I railroads had 55,400 locomotives classed as available for service. Less than 7,000 locomotives have been built in the last 8 years.

"Our railroads, today, must meet the speedy delivery of the truck at distant points. This means scheduled freight trains making average passenger train speeds, which, in turn, makes obsolete many of the reserve locomotives now classed as available for service. True, many of these reserve locomotives can make these necessary speeds with restricted train loads but the maintenance cost of this equipment under these new conditions would be unduly high.

"Likewise, many idle freight cars stored, as in good order, will not perform the service which their numbers would indicate. The high scheduled speeds of the present day freight train and other modern traffic demands will make it increasingly difficult to maintain in general service the more than 800,000 freight cars over twenty years old. The cost of repair and maintenance of these cars, many with obsolete parts, is often greater than that involved in the purchase of new cars For instance, the American Railway Association recently estimated that no less than 500,000 freight cars will have been scrapped by 1936.

"General changing conditions, progressive efforts by the railroads and supply companies, and bus and truck competition have been responsible for such developments as the container car, gasoline driven railroad car, motor trailer service, and diesel yard locomotives. Air conditioning and cooling apparatus now installed in many passenger cars has made travelling much more comfortable. The extent to which the demand for modern equipment will react to the benefit of railway equipment manufacturers will depend directly upon the magnitude of the increase in volume of business done by the railroads."

RAIL STOCKHOLDERS COMBINE IN BRITAIN

Passing of Dividends Causes United Movement for Protection

Persistent and increasing decline in railway revenues in Great Britain, which have resulted in the passing of dividends even on certain preference stocks which are statutory trustee investments, and the even more disastrous depreciation in market values of railway securities, have caused a powerful movement among railway stockholders to organize in the protection of their interests.

Negotiations have been proceeding between present stockholders associations, namely, the Scottish Railway Stockholders' Protection Association Ltd., the English Railway Stockholders' Protection Association Ltd., The Railway Reform League, the London and North Eastern Railway Stockholders' Association and an important group of railway stockholders, and these negotiations have resulted in the registration in London of the British Railway Stockholders' Union. This association is limited by guarantee without any share capital and the existing associations will be merged into it with the exception of the Scottish Association which will act as the Scottish branch of the union.

The immediate object of the union will be to press, independently of the railway companies, for legislation to enable the railway companies to compete on terms of equality with road transport. The union will also press the national point of view that the railways are, and, in the public interest, must remain the chief means of transport and that their efficiency, so necessary toward the restoration of trade, cannot be maintained without their financial prosperity. All railway stockholders (in whom are included debenture stockholders and the many people interested in railway stocks as beneficiaries in trusts) will shortly be invited to join the Union on a very moderate annual subscription.

The office of the union is, for the present, 8 Duke Street, Adelphi, London W. C. 2 where enquiries may be addressed. Enquiries may also be addressed to 2 Darley Street, Bradford, and to 21 West George Street, Glasgow, C. 2 (the office of the Scottish Railway Stockholders' Protection Association Ltd.)

Pacific Mills Plan Diversified Production

From Our Own Correspondent

MONTREAL.—Programme of expansion being carried out by Pacific Mills Ltd., operating a pulp and paper plant at Ocean Falls, B.C., will involve an expenditure of $350,000 in order to bring about a greater degree of diversification of products.

Announcement was made some time ago of the awarding of a contract for the construction of a plant in Vancouver to manufacture fibre containers. The containers will be adapted for the use of the salmon, sugar and dairy products packers of the province. The estimated cost of the extension to the converting plant is $100,000.

Other plans are for alterations to the kraft paper mills at Ocean Falls and the capacity of the saw mill will be increased by 25 per cent. After being pasted and cut the fibre boards will be shipped to the converting plant in Vancouver for manufacture into boxes.

Kernan Re-elected Head of Donnacona Paper

From Our Own Correspondent

MONTREAL.—R. P. Kernan, former president of Donnacona Pulp and Paper Co. has been re-elected to that position. Shareholders recently held a meeting to discuss reorganization plans. Senator George Parent was elected vice-president and L. W. Michel secretary-treasurer.

Donnacona Paper is once more an independent unit having severed connection with Price Bros. and Co. which acquired control in 1927.

BRITISH TEXTILE FIRMS SEEK TRADE

Plan Elaborate Exposition in London to Attract Buyers

From Our Own Correspondent

MONTREAL.—British textile manufacturers are determined to recover the ground they have lost in the North American markets and to that end efforts are being focussed on the British Textiles Exhibition which, as a section of the British Industries Fair, will be held in London from February 20 to March 3, 1933.

It is by beauty of design and perfection of manufacture that British manufacturers hope to increase their sales in North America, but buyers visiting London next February will find that the goods are priced with due regard to present economic conditions.

Trade Declined Sharply

Decline in United Kingdom exports of woollen and worsted tissues has been nowhere more marked than in the trade with North America, but signs of recovery are now apparent. United Kingdom exports to Canada, which were 26,428,600 square yards in 1927, had fallen to 9,687,100 square yards in 1931. Exports to the United States show a decline from 17,517,900 square yards to 3,162,100 square yards during the same period.

Returns for the first six months of 1932 show that, as regards the United States, the decline has almost been arrested, while in exports to Canada there has been an actual increase over the preceding year.

C. I. P. Plan Smaller Cut in Lake Temiskaming Area

From Our Own Correspondent

MONTREAL. — Steamers of the Upper Ottawa Improvement Co. towed 6,000,000 pieces of timber from the head of Lake Temiskaming to the mill of Canadian International Paper Co. at Temiskaming, P.Q. during the past summer.

Three steamers were kept busy during the period of navigation on the 85-mile run, and the movement equalled that of previous years.

At present there are 150,000 pieces of timber at the foot of the Quinze River and about the same amount at the upper end of the river, but these will be left until next spring. A smaller than average cut will be made this winter, the programme calling for 30,000,000 feet, about half the amount taken out in previous years.

Ship Apples to United Kingdom

Shipments of apples from New Westminster have been quite heavy lately, one lot of 25,000 boxes for the United Kingdom having been quickly followed by 17,000 more. This represents "new business" for this centre.

EIGHTY-FOURTH ANNUAL REPORT OF THE CONSUMERS' GAS COMPANY OF TORONTO

Year Ended 30th September, 1932

Your Directors present herewith the Eighty-fourth Annual Report of the operations of the Company together with the Financial Statements, for the year ended September 30th, 1932.

On March 17th, the Directors, in accordance with the terms of the Supplementary Letters Patent granted November 26th, 1928, sold by tender to the highest bidders, 8,052 shares of the Company's capital stock, having a par value of $805,200.00. The Shareholders of the Company now number 3,222.

The sale of gas for domestic purposes has continued to increase, and while the volume of gas sold for commercial and industrial uses has shown some contraction, it is confidently expected that upon the resumption of normal industrial activity this temporary loss of business will be completely recovered.

The total number of gas meters in service at the close of the year was 172,528, the increase during the year being 1,698.

The revenue, expenses and operating results are summarized as follows:

Gross Earnings	$7,679,866.52
Operating Expenses	5,574,671.83
Net Earnings	$2,105,194.69
Special Surplus Account, October 1st, 1931	226,813.61
	$2,332,008.30
Interest, Dividends and Plant and Buildings Renewal Fund	2,310,802.68
Special Surplus Account, September 30th, 1932	$21,205.62

The lower revenue from Gas Sales in 1932 as compared with 1931, has resulted from the reduction in the price of gas which was made effective by the Directors on April 21st, 1931. The reduction in price has applied to the sales for the full year of 1932, and has represented a saving to the consumers during the year of $300,025.10.

Dominion, Provincial and Municipal Taxes applicable to the operations of the year amounted to $519,303.44, representing an increase over 1931 of $33,146.21, and over 1930 of $86,227.80. Taxes in 1932 were equal to 9 per cent. of the revenue from Gas Sales, whereas the corresponding figure in 1926 was 5.2 per cent.

In addition to the direct taxation, there has been paid to the Collector of National Revenue for Customs Duties and Excise Taxes during the year, an amount of $227,055.54.

The cost to the Company of exchange on remittances to the United States during the year has been $86,210.36.

Reasonable economies in operation have been effected during the year to offset, so far as practicable without impairing our service to our consumers, the mounting taxes, customs duties and other items of uncontrollable expense, which the Company has been compelled to pay.

The policy of the Directors has always been to supply gas at the lowest possible rates consistent with good and reliable service to the consumers. However, with the constantly increasing amounts which are being assessed against the Company for taxes, customs duties, etc., it has become a matter of serious concern to your Directors as to how long it may be possible for them to maintain in effect the low rates at which gas service is now being supplied.

It will be appreciated that all taxes levied against the Company constitute a direct charge against the consumers, being included in their accounts for service. In addition, the Shareholders, individually, are assessed on the dividends they receive, quite independently of the taxes paid by the Company.

The only important addition to the Manufacturing Plant undertaken during the year, was the erection at Station "A" of a complete unit for the manufacture of Oil Gas, having a daily capacity of 1½ million cubic feet. The work was carried out by the Company's own workmen.

Extensions to the Distribution System have been made only where there has been a reasonable demand for gas.

The Manufacturing Plants, Distribution System and other properties of the Company have been maintained in excellent physical condition throughout the year. The expenditures for repairs and renewals have amounted to $689,022.16.

The following statement for the past year as compared with the preceding one, shows:

	Meters	Gas Sales
Year ended September 30th, 1932	172,528	$5,798,001.99
Year ended September 30th, 1931	170,830	5,864,352.37
Increase	1,698	
*Decrease		$66,350.38

*Price of gas reduced on April 21st, 1931.

All of which is respectfully submitted.

A. W. AUSTIN, President

STATEMENT OF INCOME AND PROFIT AND LOSS
For Year Ended September 30th, 1932

GROSS EARNINGS:		
Gas Sales	$5,798,001.99	
Residuals Produced	1,576,130.54	
Merchandise Sold	296,859.43	
Miscellaneous Revenue	8,874.56	
		$7,679,866.52
Production, Distribution and Administration Expenses and Taxes		5,574,671.83
NET EARNINGS		$2,105,194.69
Interest Earnings		82,486.29
		$2,187,680.98
Special Surplus Account, October 1, 1931		226,813.61
		$2,414,494.59
Dividends	$1,365,256.38	
Plant and Buildings Renewal Fund	1,028,032.59	
		2,393,288.97
Special Surplus Account, September 30th, 1932		$21,205.62

BALANCE SHEET OF THE CONSUMERS' GAS COMPANY OF TORONTO
September 30th, 1932

LIABILITIES

Capital Stock		$14,055,200.00
Reserve Fund:		
Authorized under Act of 1887	$1,000,000.00	
Premium on Capital Stock	6,993,908.11	
		7,993,908.11
Special Surplus Account		21,205.62
Plant and Buildings Renewal Fund:		
Amount at Credit October 1, 1931	2,514,184.96	
Less Repairs and Renewals	689,022.16	
	$1,825,162.80	
Appropriation from Earnings, Authorized by Statute	1,028,032.59	
		2,853,195.39
Reserved for Dividend No. 330		351,380.00
Provision for Exchange and Dominion Government and other Taxation		97,759.88
Sundry Accounts Payable		250,803.70
		$25,623,452.70

ASSETS

Real Estate, Plant and Equipment	$21,451,415.97
Other Investments	1,955,995.89
Materials and Supplies	948,905.95
Cash in Bank and Offices	409,788.56
Accounts Receivable, after making provision for Doubtful Accounts	717,512.42
Interest Accrued, not due	40,354.80
Prepaid Taxes and Insurance	99,479.11
	$25,623,452.70

Approved on behalf of the Board of Directors.

A. W. AUSTIN, President. ARTHUR HEWITT, Vice President and General Manager.

We have audited the accounts and vouchers of The Consumers' Gas Company of Toronto, for the year ended September 30th, 1932. Our requirements as Auditors have been complied with and in our opinion the above Balance Sheet sets forth a correct statement of the Company's affairs as shown by its books.

(Signed) W. E. SAMPSON, I.P.A. / EDMOND GUNN, F.C.A. } Auditors.

TORONTO, 31st October, 1932.

The following gentlemen were elected Directors for the ensuing year: A. R. Auld, Esq.; A. W. Austin, Esq.; T. Bradshaw, Esq.; A. H. Campbell, Esq.; L. Goldman, Esq.; Arthur Hewitt, Esq.; Col. J. F. Michie; F. G. Osler, Esq.; T. H. Wood, Esq.

At a meeting of the Board held subsequently, Mr. A. W. Austin and Mr. Arthur Hewitt were re-elected President and Vice-President, respectively.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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CONSUMERS' GAS MAY RAISE RATES, FORCED BY TAXES

Ottawa, Toronto and Ontario All Make Increased Levies on Company

EATS INTO INCOME

Maintained Efficiency at High Level—Controllable Expenditures Down Materially

Possibility of higher rates for gas in Toronto and vicinity is a possibility because Consumers Gas Co. of Toronto has found in the last two years increasing taxes, customs duties and exchange rate on remittances to the United States a serious drain on revenue, it was intimated at the annual meeting of the company at Toronto on November 14. Net revenue of the company was $2,105,195 while interest, dividends and plant and buildings renewal fund were $2,310,803. This brought the special surplus of $226,814 down to $21,206 during the year.

Income and Surplus Account
Years Ended Sept. 30

	1932 $	1931 $
Gross earnings:		
Gas sales	5,798,002	5,864,352
Residuals produced.	1,576,131	1,719,185
Merchandise sold ..	296,859	396,933
Miscellaneous rev...	8,874	13,834
Total gross earn.	7,679,866	7,994,304
Less: Prod. distrib., & adminis. exp. & taxes	5,574,672	5,803,663
Net earn. from oper.	2,105,194	2,190,641
Add: Int. earnings ..	82,486	90,382
Total net earnings ..	2,187,680	2,281,023
Less: Plant & bldgs. renewal fund	1,028,032	1,013,811
Net profit	1,159,648	1,267,212
Less appropriations: Dividends	1,365,256	1,325,000
Deficit for year trans. to spec. surp. acct.	*205,608	*57,788
Add: Prev. bal. of spec. surplus acct.	226,814	284,602
Spec. surp. carr. for'd	21,206	226,814

*Deficit.

Reduced Rates in 1931

In the first place, the lower revenue from gas sales in 1932 compared with 1931 is ascribed to the reduced price of gas made effective by the directors on April 21, 1931. This reduction applied to the full fiscal year 1932 and really made a saving to the consumers of $300,025 during the year, according to the report to the shareholders of the president, A. W. Austin.

Dominion, provincial and municipal taxes amounted to $519,303 which was $33,146 more than in 1931 and $86,228 more than in 1930. Taxes in 1932 were equal to nine per cent of the revenue from gas sales as compared with only 5.2 per cent in 1926. Customs duties and excise taxes paid during the year amounted to $227,056 and exchange on remittances cost $86,210. Efforts were made during the year to effect economies which would offset these mounting taxes and other items of uncontrollable expense. In all controllable spheres, it is reported, the company had success in this endeavor. It is pointed out that, in addition to these taxes, there is another tax on shareholders who are assessed individually as well on dividends they receive.

Domestic Gas Sales Gained

The sale of gas for domestic purposes increased and though there was some contraction in the volume of gas sold for commercial and industrial uses it is confidently expected that there will be a recovery in this department when business becomes more active. The total number of gas meters in service was 172,528, an increase during the year of 1,698.

Working Capital Gained

Working capital was practically one-third higher at the end of the year than at the beginning and the ratio of current assets to current liabilities was greatly increased as shown by the following table:

Working Capital

	1932 $	1931 $
Current assets	4,072,557	3,675,020
Current liabilities ...	699,943	1,301,049
Working capital	3,372,614	2,373,971
Ratio	5.81—1	2.28—1

Bank Loan Paid Off

There were no changes of importance in the current assets, investments standing at $1,955,996. Cash, however, increased from $10,100 to $409,789. Materials and supplies were a little down at $948,905. Accounts receivable, after making provision for bad debts, went up from $678,552 to $717,512.

The chief changes in current liabilities were the disappearance during the year of the bank loan of $485,203, a drop in the provision made annually for exchange, Dominion government and other taxation from $118,788 to $97,760 and a drop in payables from $365,728 to $250,804.

Plants and buildings renewal fund went up during the year from $2,514,185 to $2,853,195. This was accomplished by the process of deducting $689,022 for repairs and renewals during the year while $1,028,033 was added as appropriated from earnings as authorized by statute.

Sold Stock at $150

The reserve fund during the year went up from $7,591,555 to $7,993,908. Both of these totals included $1,000,000 authorized under the Act of 1887 while the remainder was made up of premium on capital stock which went up from $6,591,555 to $6,993,908.

Sale by tender on March 17, 1932, resulted in the company selling to the highest bidders at an average price of $149.97 a share, 8,052 shares of $100 par value stock. Shareholders now number 3,222.

Real estate, plant and equipment increased during the year from $21,116,732 to $21,451,416. The only important addition to manufacturing plant was the erection at Station "A" of a complete unit for the manufacture of oil gas. It had a daily capacity of 1,500,000 cubic feet and the company's own workmen carried out the work. Extensions to the distribution system were made only where there was a reasonable demand for gas.

Huge Ontario Gamble Threatens Both Taxpayers and Investors

IN THE power situation in Northern Ontario there is in process of development an example of government in business that should merit the close observation of all good citizens of Canada. Here the government of Ontario, representative of the tax-ridden public, is carrying on a campaign that is certain to add vast sums to the annual tax bills of the people of Ontario and that has within it the possibility of impairing the value of investments made by hundreds of thrifty people who have purchased the bonds and stocks of the private power company in the mining country.

Northern Ontario has been served throughout its years of development by a group of light and power companies that are now grouped together in the Canada Northern Power Corporation. This company, with some $35,000,000 invested, provides power for most of the mines and light to most of the homes of Northern Ontario and Northwestern Quebec. It has given good service, it has from time to time reduced its rates, it pays over $300,000 a year in taxes, and it has helped to translate into wealth the latent mineral resources of this rich area.

While the distribution of power is a natural monopoly, and rightly so if the economic waste of duplicating systems is to be avoided, the Ontario government is now apparently launching a frontal drive on the territory of the Canada Northern Power Corp. The government's move is made in a desperate effort to make some use of the white elephant the province acquired when it took over the properties of the Ontario Public Service Corporation. Whether this huge development, sponsored by the Abitibi Power and Paper Company, should ever have been launched at all may be a matter of argument. The company had a certain contract with the Ontario Hydro-Electric Power Commission and planned to use surplus power in the development of steam for its paper mills. Breakdown of the money markets put the whole project in jeopardy before it was completed and this was followed by revelations that the Hydro contract was not all it was supposed to be and by an apparent unwillingness or inability of Abitibi Power to buy its power for fuel. In any event, a generous government stepped in, took the burden off the shoulders of the Abitibi company and with a moderate shading down of principle and interest return gave the bondholders the protection of the government. The bondholders grumbled a bit but if they had any complaint it was certainly not against the government but against the promoters of the enterprise and those who sold them the bonds on the strength of rosier promises than were quite justified. The real goat in the transaction was the Ontario taxpayer who was made to shoulder an $18,000,000 investment in a power enterprise that had not in immediate prospect a market for more than the smallest fraction of its possible power development.

Now, to justify this $18,000,000 addition to the province's debt, which saved promoters and contractors from crushing losses, the government is bent upon finding a market for some of the power, a thoroughly proper and justifiable objective. But the first step in its campaign is one that must be disconcerting to taxpayers and investors alike for it is an obvious effort to break into the territory built up by the Canada Northern Power Corp. and to obtain a power contract, whether it returns any net profit or not.

Acting through the Hydro, which has not assumed any obligation in connection with the Abitibi Canyon plant, but which is apparently to manage it in trust for the province, Ontario has offered a power contract to the Beattie Mine in Northwestern Quebec. The government proposes also to build a 60 mile transmission line from Iroquois Falls to the Quebec border at a cost that will probably run between $500,000 and $750,000. It is quoting a rate that for the first 1,500 h.p. is higher than the rates quoted by the private company but that would not be sufficient to meet the charges on the transmission line. Above that figure the rate would progressively decline until it was well below the rates that are generally charged in the north by the private company. As Beattie is not yet a proved property it is anyone's guess whether the larger blocks of power, which the government is gambling on selling, will ever be required. But while the contract involves a huge speculation with taxpayers' money the government is apparently willing to go to any lengths to make a show of justifying its original $18,000,000 gamble.

Building this transmission line would be the first step in duplicating at enormous expense the Canada Northern Power's network in the North. How expensive duplication can prove for the taxpayer and investor has been proved in the case of the railroads and in the case of power delivery in Winnipeg, Hamilton and other cities in Canada.

Surely there is some way in which the province can sell its Abitibi power without pouring further millions into long transmission lines, when short lines from some of the existing main lines of the private company would suffice to serve the entire north country. Surely it can find a way to get a return on its unwise investment without setting out to ruin a private company. Surely there are in the Ontario government men of sufficient reason and sanity to find that better way.

One way might be for the government to operate through the private company to dispose of its surplus power, gradually as the demand grows. An alternative—and not as satisfactory a one—would be the purchase of the Ontario division of the Canada Northern plants which would mean that the government would probably have to invest another $25,000,000 to $35,000,000 to save its original $18,000,000.

Of course, the first mistake was ever buying the Abitibi Canyon plant, a move which the government would find difficult to justify before any group of business men, bankers or public accountants. But having made this mistake the government of Ontario is not justified in robbing the taxpayers and bludgeoning private investors in an attempt to save political hides.

NIAGARA WIRE PROFITS REMAIN AT LOW LEVELS

Stocks of Screens at Paper Mills Are Much Reduced

From Our Own Correspondent

MONTREAL.—Except for a slight seasonal gain, sales of Niagara Wire Weaving Co. continue at a relatively low level and earnings have shown no definite tendency to increase. Outlook for payment of preferred dividend which was deferred in September is not yet improved, according to those in touch with the situation.

On the other hand it is stated that wire screen stocks on hand at paper mills have been reduced substantially and replacement must take place so long as the mills continue to operate. Regular business has naturally reflected adverse conditions in the newsprint industry since the company's products are an essential part of the Fourdrinier machines.

Earned Dividend Last Year

Preferred dividends were earned in the fiscal year ended March 31, 1932; net profit totalling $108,920 against requirements of $62,625. Since the end of that period further restrictions in sales have been apparent and in September it was officially stated that dividends were not being earned. Distribution was deferred in September when the usual payment fell due.

The company had outstanding at the end of March 20, 70,725 shares of no par value preferred on which cumulative dividends of $3 had been paid since the company's inception in 1929. There is no funded debt and the last balance sheet showed no bank loans outstanding.

Government Dairy Scheme Under Privy Council Ban

From Our Own Correspondent

VANCOUVER.—British Columbia's adventures into the realm of artificial price-fixing and co-operative selling continue to meet with reverses. The latest measure of this nature to meet with rebuff is the dairy products sales adjustment act, which has been held unconstitutional by the judicial committee of the Privy Council.

The legislation was put through at the last session of the legislature, but not as a government measure. When it was rejected by the privy council, few members of the government were surprised, although they declared that something would have to be done to take the place of the act that has been declared ultra vires. Repeated attempts to stabilize marketing of Fraser Valley milk have been no more successful than those aiming at the regulation of Okanagan Valley fruit sales.

The legislation set up a sales adjustment committee which was empowered to compel dairymen who shared in the fluid milk market to make returns of their sales and to levy upon the gross product of these sales a sum sufficient to compensate dairymen who otherwise disposed of their milk at lower prices. The committee was authorized to make levies to defray the expenses of the act. It has been held by the Privy Council that the imposts so authorized are indirect taxes and outside the legislative competence of the provincial government.

TRADE IMPROVEMENT SEEN IN WINNIPEG

But Halifax Trade Report Not Encouraging, Says Report

The weekly trade report of The Canadian Credit Men's Trust Association for the week ending Nov. 15, 1932, is as follows:

Halifax—Wholesale and retail trade shows little improvement, purchases being confined to immediate requirements. In the fishing industry demand and prices continue low. The textile trade is spotty; woollen mills report good business while cotton plants are on reduced schedules. Ingot production at Sydney Mines virtually at a standstill, with a considerable decrease in the coal output at Cape Breton mines in comparison with last year, and it is not anticipated that the lumber industry will be very active in the woods this winter. Potato crop about 60 per cent of last year, with prices, however, approximately 100 per cent higher. The apple crop has been considerably damaged by the recent gales. Collections fair to slow.

Saint John — Wholesalers report volume of business fairly normal under present conditions. Retail trade slightly improved. Collections continue slow.

Montreal—Wholesale groceries continue fairly active but all other lines have been very quiet during the past week. Retail trade, both city and country, quiet. Wholesale collections very fair; retail still slow.

Toronto — Wholesalers report that a fair demand continues for seasonable goods; other lines, however, inclined to be quiet. Retail trade only fair. Collections slow.

Winnipeg — Manufacturing continues steady. Wholesale dry goods, boots and shoes and clothing lines show increased volume. Wholesale groceries steady. Hardware and kindred lines quiet. Retail trade shows some improvement occasioned by stormy weather prevailing creating a demand for more seasonable merchandise. Collections continue slow.

Regina — Wholesale groceries fair to good; dry goods good; other lines fair. Retail trade, both city and country, quiet. Wholesalers report that current accounts are being paid fairly promptly although no reduction is being received on old outstandings. Retail accounts in country being reduced by produce only. City retail collections fair.

Saskatoon — Wholesale groceries continue fairly active; dry goods, boots and shoes and kindred lines fair; other lines quiet. City retail trade fair. Country retail quiet. Collections generally show no improvement.

Calgary—All lines of merchandise report very little, if any, improvement over previous week's trading. Collections continue slow.

Edmonton — Business, both wholesale and retail, continues quiet. Collections slow.

Vancouver—Very little change reported by wholesalers and manufacturers throughout the province. Seasonable lines moving fairly satisfactorily, although not up to expectations. Retail trade fair. Collections have not improved to any extent during the past week, old accounts remaining difficult to realize on with current purchases paid fairly promptly.

Wholesale Trade in Hull

Hull, whose population at the census was 29,433, had 12 wholesale establishments in 1930, with 83 employees, payroll $102,700 and net sales $1,151,400. These included 7 wholesale merchants and one supply and machinery distributor, employing 58 persons, payroll $73,600, net sales $814,600.

International Gypsum Co. Formed in Newfoundland

International Gysum Co. Ltd. has been incorporated in St. John's, Nfld., with capital of $1,750,000 in shares of $1 each. Incorporators were H. Maxwell Dawe of Bay Roberts, R. B. C. Mercer and Ruby Tucker, of St. John's.

The company has been incorporated to develop gypsum deposits at Flat Bay Brook, on properties owned or controlled by Wm. H. Taylor. Present plans are to export hydrous calcium sulphate in the form of crushed stone and to make and export plaster.

The company is reported to have orders on hand from New York firms.

Sault's 1930 Retail Sales Were Over $9,000,000

Retail trade in Sault Ste. Marie, Ontario, in 1930 was handled by 319 stores with sales of $8,661,600 and by 103 service establishments with receipts of $577,400, amounted to over $9,000,000. The 319 stores employed 802 persons, whose pay was $820,300.

There were 112 establishments in the food group with $2,702,500 sales, 185 employees paid $171,300. There were 30 establishments in the automotive group, employing 85 persons with a payroll of $112,700. The population of the Soo at the census was 23,082.

Saskatchewan Wheat Pool Decides Against Trading

From Our Own Correspondent

REGINA.—The Saskatchewan Wheat Pool is not going into the merchandising business at the present time, but will further consider the matter at its next general meeting. Such was the conclusion reached at the annual meeting of the Pool which closed in Regina last week. When the Pool charter was first obtained powers to deal with anything except grain were deliberately omitted by the promoters, who did not believe in such an organization pursuing more than one line of business. Recently, however, the directors decided to apply for a charter amendment that would permit various commodities, including binder twine and coal, to be sold at the organization's country elevators. The amendment was framed, as is usual in such cases, to cover a very wide field.

Opposition promptly developed in Saskatchewan, both among retail merchants and business men generally. The argument used was that so long as the Wheat Pool is heavily indebted to the Saskatchewan Government it is in essence risking government money if it engages in a new line of business, and the government should not allow money to be used for such purposes which be employed in making repayments. Various Boards of Trade in the province wired their protests to the government, and at the recently concluded meeting a delegation from the Provincial Retail Merchants' Association appeared before the Pool delegates to give their reasons for opposing the step. Decision on the matter therefore came from the delegates and not from the government.

Codfishing in Labrador Reported Unusually Good

Reports from St. John's, Nfld., indicate that there have been very good catches of codfish in parts of Labrador this season. It is understood that fishing in some sections has been the best in the last fifty years which is as far back as records have been kept.

One schooner fishing out of Mokkovik Bay was reported to have been able to put out only one trap for cod because there was so much fish in it continually that the boat could not handle more. Another schooner was able to fill its holds with fish taken from the same trap, which, it is said, is an almost unprecedented occurrence.

PUMP CONTRACT WILL BE FILLED BY CAN. VICKERS

Montreal Orders 3 Thirty-Million-Gallon Units at $78,350

From Our Own Correspondent

MONTREAL.—Canadian Vickers has been awarded a contract for construction of three 30,000,000 gallon pumps at a cost of $78,350. The equipment will be used by the City of Montreal. Present equipment handles some 130,000,000 gallons daily, but reserve pumping capacity has been stated to be insufficient.

The dry dock operated by Canadian Vickers is in working order and is handling any business it is able to obtain. Though the explosion in the dry dock last summer temporarily restricted its activity, repairs were speedily effected.

Marine Business Improved

Following improvement in shipping operations this season the company's marine department has been fairly busy though the aeroplane and structural steel divisions have been slack. Aerial activities in Canada are limited at present while the decline in construction has slowed up operations of all steel fabricators.

The company will not end its fiscal year until February 28, 1933. No figures on earnings have been made public during the current period; in the last fiscal year profits were $409,010 and interest requirements were earned 1.31 times after depreciation. Under the Dry Dock Subsidies Act the company receives from the Dominion Government an annual subsidy of $105,000 payable for 35 years from 1913.

Value Woollens Produced Declined 7.4 p.c. in 1931

There were 126 woollen textile industries in Canada in 1931, which was an increase of 10 over the preceding year. Eighty-two of these establishments were located in Ontario, twenty-one in Quebec, seven in New Brunswick, six in Nova Scotia, five in British Columbia, one in Prince Edward Island and the remaining four in the Prairie Provinces.

The gross value of production of the four sections of the woollen industry aggregated $25,456,037, a decline of $2,041,493 or 7.4 per cent from 1930. The cost of raw and other materials amounting to $11,491,927 in 1931 showed a decline of $2,589,902 or 18.4 per cent. The amount of capital investment, $43,086,674, represents an increase of $605,242 or 1.4 per cent over the 1930 investment.

There were 8,208 salaried and wage-earning employees in 1931, who were paid $7,425,635 in salaries and wages, these figures represented respective increase of 498 employees or 6.5 per cent and $613,128 or 9 per cent over the similar figures of 1930.

The value added by manufacture, $13,964,110, was an increase in 1931 of $548,409 or 4.1 per cent. The woollen cloth industry accounted for practically all the gains made.

Reviews Pros, Cons of Central Bank

Many Theoretical Advantages Seen for Canada — Objections Largely Practical — Economist Gives Views and Summarizes Arguments

By A. F. W. PLUMPTRE
Lecturer in Money, Credit and Prices, University of Toronto.

Most things differ in practice from what theory would lead one to expect. A Canadian central bank would be no exception. No one even knows what such an institution would be like on paper, far less how it would develop. The warning of Kisch and Elkin ("Central Banks," page 14) must be remembered: "Theory naturally tends to attribute too much to the written statutes; in fact everything depends on the spirit and tradition in which the statutes are worked. It may happen that seemingly similar statutes may produce different results in neighboring countries... The form in which it is usual for central banking principle to be enshrined is only the initial step to wise banking conduct."

It would be unfair to say that all the arguments in favor of a Canadian central bank are theoretical while all the objections are practical. But this approximates to the truth—naturally, perhaps, because the arguments for any new project must be based upon thoughts and theories rather than past practice. In this, the last article of a series of seven, it may be useful to summarize the contentions on both sides of the question. Let us deal first with the practical objections.

Objects of Central Bank

The first of these is the simple statement that such an institution is not needed and therefore its foundation would simply be waste. In the first article of this series the objects for which central banks were usually founded were discussed. These were as follows:

1. To act as a clearing-house for inter-bank settlements.
2. To be the government's bank.
3. To take over the functions of note issue from the government and (although this was a usual measure of centralization it was not absolutely necessary) from the commercial banks.
4. To guide international financial relations.
5. To concentrate and economise reserves.
6. To ensure that credit and note issue were controlled, not for private profit but in the public interest.

In the case of each of the first five of these six objects it was suggested that, while a central bank might yield some slight advantage to Canada, the immediate gain would probably not be worth the cost. Canada's banking system had already gone so far along the road of amalgamations that the further economies of concentration which would be introduced by a central bank were not likely to be very great.

Arguments Three-fold

Against the sixth object of a central bank—the control of currency and credit in public rather than private interests—the arguments are of a different type. They are three-fold, and have appeared at different points in this series so that it remains but to summarize them here.

In the first place there is a feeling, perhaps a growing feeling, that the post-war attempts on the part of many countries to manage their own monetary systems have been lamentable failures.

It is next contended that a Canadian central bank would initiate no new policy. English experience suggests that the policy of the central bank will be in line with the needs of the rest of the financial institutions of the country. In Canada the young institution would simply be in the hands of the experienced bankers, and things would go on precisely as at present. It would not even have the best financial brains of the country at its command, it is claimed, since these are already employed elsewhere.

Other opponents assert that the central bank would fall, not into the hands of financiers, but rather into the hands of politicians. But the extent of this danger is impossible to estimate before the actual establishment of a bank and the actual appointment of a board of directors.

The central bank, continue its opponents, would be impotent. If it initiated a policy which was contrary to the wishes of the chartered banks they could and would frustrate it. Their present political influence is sufficient to ensure that they shall not be tied by legislative bonds to the chariot wheels of an inexperienced institution. And without legal powers the new bank would have little authority.

Impotency Claimed

Further it is claimed that the bank would be impotent simply because the circumstances for successful operation do not exist. In particular there is no money mar-

(Continued on page 15)

INTER. MILLING CO. EARNINGS DOWN, POSITION STRONG

Makes Heavy Reserves Against Possible Exchange and Contingency Losses

SURPLUS IS LARGE

Company Increased Inventories By One-third During Year Ended August 31, 1932

Considering the difficulties of the year ended August 31, 1932, International Milling Co. and subsidiary companies have given an excellent account of themselves. Net earnings of $1,125,576 compare with $1,307,314, about four times the requirements of both seven per cent and six per cent preferred dividends and 1.65 times common dividends of $500,000. This was before various adjustments for discount on preferred stock retired, over-provision for income tax in prior years, miscellaneous adjustments for prior years and an adjustment of $327,485 for Canadian exchange, allocated to surplus account.

Consolidated Income and Surplus Account
Years Ended Aug. 31

	1932 $	1931 $
Net earnings†	1,125,576	1,307,314
Net profit	1,125,576	1,307,314
Less appropriations:		
7% pref. divds. ...	242,552	250,677
6% pref. divds. ...	54,258	56,416
Common divds. ...	500,000	500,000
Surplus for year	328,766	500,221
Add: Prev. surplus ..	6,917,478	6,398,295
Prem. on pref. stk. sold	......	1,250
Disc. on pref. stock ret'd.	23,981	2,928
Over.-prov. for inc. taxes in prior yrs.	......	14,784
Less: Misc. adj. prior years	118,681	......
Adj. for exchange*	327,485	......
Bal. carried forward..	6,824,059	6,917,478

†After provision for Federal and Dominion income taxes and for conversion of net income of the Canadian subsidiaries to the basis of U S. exchange.

*Proportion of adjustment for Canadian exchange allocated to surplus account.

Net income for the year as shown above was after making provision for federal and Canadian taxes on profits and for conversion of the net income of the Canadian subsidiaries to the basis of United States exchange as at August 31, 1932.

Working capital was still very strong, though relatively not so favorable as in the preceding year. The following table shows the relative position:

Workng Capital

	1932 $	1931 $
Current assets	9,524,345	7,938,455
Current liabilities ...	3,613,027	1,553,013
Working capital	5,911,318	6,385,442
Ratio	2.63—1	5.11—1

Inventories Show Large Gain

The increase in current assets as shown was mainly due to an in-

(Continued on page 15)

IF the builder knew his dynamics ... it will fly. If he built well, it will fly safely, with a pay-load. Otherwise not; you can't tell from appearances.

So with advertising. Pretty pictures and high-sounding phrases alone prove nothing. To earn profits today, the sales program must be founded on fact, must embrace all variables, must not be overweighted by tradition.

The agency's responsibility begins with the sales program ... not with layouts, not with copy. It is not enough that advertising should be "beautiful."

Here we have no formula ... except a firm conviction that profitable advertising today is compounded of three ingredients: *facts* ... *drama* ... *merchandising*. In working with many of the Dominion's leading advertisers, the results have justified this conception of our job.

Perhaps today you are being served by "pretty" advertising. Perhaps in 1933 you will demand merchandising which is based on sound principles, advertising that will make cash registers jingle. Then may we explain our method in full? Write or call the J. Walter Thompson Company Limited, 1004 Canada Permanent Building, TORONTO; 602 Dominion Square Building, MONTREAL. Interviews with principals only, and in confidence.

NOTICES

$18,400.00

Village of Stirling Ont.

30-year Waterworks Debentures for sale, bearing 6% interest, payable semi-annually.

Bids must be in the hands of G. H. Luery, Clerk, by Nov. 25, 1932.

DIVIDEND NOTICES

DIVIDEND NUMBER 234
EXTRA DIVIDEND NUMBER 4

Hollinger Consolidated Gold Mines, Limited

A regular dividend of 1%, and an extra dividend of like amount, making 2% in all, have been declared on the Capital Stock of the Company, payable on the 1st day of December, 1932, on which date cheques will be mailed to shareholders of record at the close of business on the 17th day of November, 1932.

DATED the 10th day of November, 1932.

I. McIVOR,
Assistant-Treasurer.

The Canadian Bank of Commerce

Dividend No. 183

Notice is hereby given that a dividend of Two and One-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1932, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st December next, to shareholders of record at the close of business on the 31st day of October, 1932. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager

Toronto, 21st October, 1932.

International Proprietaries Limited

NOTICE

Notice is hereby given that a quarterly dividend of sixty-five cents (65c) per share has been declared on the issued and outstanding Class "A" shares of this Company, payable on the fifteenth day of December, 1932, to shareholders of record at the close of business on the twenty-fifth day of November, 1932.

By order of the Board,

J. H. SPENCE,
Secretary.

Montreal, November 14th, 1932.

The Bank of Nova Scotia

DIVIDEND No. 252

Notice is hereby given that a Dividend of three and one-half per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of December 16th, and that same will be payable on and after Tuesday, the third day of January next, at any of the offices of the Bank in Canada.

By order of the Board.

J. A. McLEOD,
General Manager.

Halifax, N.S., November 8th, 1932.

The Royal Bank of Canada

DIVIDEND NO. 181.

NOTICE is hereby given that a dividend of two and one-half per cent. (being at the rate of ten per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of December next, to shareholders of record at the close of business on the 31st day of October, 1932.

By order of the Board.

M. W. WILSON,
General Manager.

MONTREAL, Que., October 14, 1932.

International Petroleum Company, Limited

Notice of Dividend No. 35

NOTICE is hereby given that a dividend of 25c. United States Currency per share has been declared, and that the same will be payable on or after the 15th day of December, 1932, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 35 at the City Bank Farmers Trust Company, 22 William St., New York, N.Y.

The payment to Shareholders of record at the close of business on the 30th day of November, 1932, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 14th day of December, 1932.

The transfer books will be closed from the 1st day of December to 15th day of December, 1932, inclusive, and no Bearer Share Warrants will be "split" during that period.

By order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
15th November, 1932.

Note: Coupons may also be redeemed at any Branch of the Royal Bank of Canada, in Canada, at the current buying rate for demand exchange on New York.

Prospecting Restrictions Lifted on Labrador Areas

The Newfoundland government has announced that prospecting restrictions in Labrador, in force since November, 1929, have been withdrawn.

It is now planned to consider applications for prospecting rights over exclusive areas, which will be licensed at a yearly fee of $1,000 for a 100 square mile section. In addition the prospector must expend at least $5,000 annually on exploration and development work.

Discoveries made will be subject to application under the Crown Lands Act and the fees payable under it. Provision is made for the payment of royalties on minerals in the same manner as those payable in Ontario and Quebec. Interest in the mining possibilities of Labrador was quickened this summer with the granting of prospecting rights over an area near the Quebec boundary to Captain Bondurant, flying for United States interests. Since he returned to St. John's with specimens showing gold content, one other application, to Cyril Duley, of St. John's, has been granted.

Ship Pitch From Montreal

For the first time in its history the Port of Montreal is shipping pitch in quantity—3,000 tons having gone forward recently, destined for France where it is to be used, apparently, in the manufacture of briquettes. The Port of Toronto also sent forward 1,478 tons to the same country.

U. S. BREWERS READY TO SPEND MANY MILLIONS

Canadian Beer Exporters Will Find Industry Fully Equipped Next July

GOOD MALT WANTED

Special Barleys May be in Request But Excess Crops of Feeding Barleys Reported

Although many cities and states in the United States have taken time by the forelock since the advent of the Democrats to power and anticipated Congress action in the short winter session by letting beer, wine and other liquors flow freely, it is not plain as yet that the situation will be of more than temporary interest to Canadian brewers and distillers. Not only are the bootleg brewers preparing to do legally on a large scale what for many years they have been doing illegally but reports from all over the United States indicate that the old brewing families are having the old brewing premises gone over, are ordering plant to replace equipment which age has impaired and expect to be ready by next summer to deliver old brands again in the territory in which formerly they were supreme. Just as in Canada an excess of productive equipment is expected to develop within a few years and exports to Canada may follow.

Ready to Go

From New York City comes the news that the New Amsterdam Brewing Co. expects to have facilities to market 250,000 barrels of beer annually with the plant constructed so that it can be raised to 500,000 barrels when required. Old beer stocks are appearing in stock exchanges of Pittsburgh, Detroit, New York City, Toledo, St. Louis and Milwaukee. Makers of brewery equipment report business picking up even in advance of Congress' expected action. In Ohio circulars petitioning change in the state law at the session in January already are circulating in the hope that 2.75 per cent beer will be legalized in the coming winter. Toledo breweries state they will spend $1,000,000 for new machinery, trucks and other equipment if the Volstead Act is modified.

Blatz Brewing Co. at Milwaukee has already placed orders for $2,000,000 worth of new equipment, the Miller Co. plans to spend nearly $1,000,000, the Pabst Corp. expects to spend $2,000,000 and the Schlitz Brewing Co. says it is fully ready now without spending another cent. The Cream City Brewing Co. will spend $100,000. The George J. Meyer Manufacturing Co. is holding orders for new bottle washing and other equipment up to $300,000. Trommer Brewing Co. at Brooklyn, N.Y., said plant had been kept in first-class order and was ready to go. Colonel Ruppert, one of the most important United States brewers, says he is ready to spend $5,000,000 for improvements and additions soon after the enactment of enabling legislation and that he can handle a considerable business at once. His proposed additions include $2,750,000 for new buildings and $2,250,000 for machinery and other equipment.

Want Action This Winter

Although many claim that it will take a large part of 1933 to get the necessary changes to the law, Senator David Walsh has already prepared, with the consent of Joseph Robinson, Democratic leader in the United States Senate, an amendment to repeal or modify the 18th amendment to the United States Constitution at the winter session, not thinking it necessary to wait until the new administration takes office on March 4.

Malt Barley Wanted

Barley prices have been soaring in the Minneapolis and Chicago markets. It takes two bushels of rough barley to make mash for one 32-gallon barrel of beer. In 1917 in the United States consumption for producing fermented liquor accounted for 2,770,964,606 pounds of barley malt and 666,401,619 pounds of corn and corn products. It is estimated that demand now would be about 69,000,000 bushels of barley and 12,000,000 bushels of corn, or 81,000,000 bushels of grain in all, to meet this need in addition to minor items such as hops, rice, yeast, sugar, and other materials included in the ingredients composing beer. This is not all new demand as 110,574,529 pounds of malt and 9,494,297 pounds of corn were used in 1931 for the production of cereal beverages containing less than one-half of one per cent alcohol.

The new needs would be about 66,000,000 bushels of barley and about 11,840,000 bushels of corn. It is estimated by the Wall Street Journal that all current requirements could be bought on the market at present in these two grains for $23,000,000. This is because demand for beer is relatively insignificant, corn crop of about three billion bushels being worth about half a billion dollars, 21 times needs for beer.

But barley grown in the United States is twice the prewar average. The production in 1932 is estimated at 313,407,000 bushels or nearly five times requirements for beer.

Bottle Firms May Benefit

The possibility for Canadian exports of malt and barley lie in the premium on the United States dollar and in the fact that barley at present grown is for feed purposes mostly and is not best adapted for malting. Even prior to the war there were some imports of special barleys in the form of malt. Purchase of barley cannot be made by grades as these grades are Government grades designed to aid export business for good feed. Purchases for a time will have to be made on sample rather than grade and it is possible that special maltsters will pay a premium of from 5 to 7 cents a bushel because old-time brewers will want to establish a public preference for their product as early as possible. There will be an immediate demand for hops beyond United States' present capacity to fill but farmers there will soon replant as cost per plant of replanting is estimated at 35 cents each.

Bottle cooperage and trucking firms expect to profit from the return of beer. The United States Government, it is estimated, could get $300,000,000 of new revenue by a tax of two cents a bottle on beer consumption in the United States. Canadian large brewers are preparing to place their products in key markets as soon as it is legal to do so and some beer from other concerns already is crossing by the underground route because of relaxed restrictions.

Canada Malting is understood to have done a good business with the United States even under present conditions and this may continue for some time unless protection is increased in the United States.

Canadian Canned Fruits Taken by British Market

Ocean Steamship at St. Catharines Takes Entire Cargo of Pears and Peaches Canned By Canadian Canners — Getting California's Business

News in The Financial Post some weeks ago to the effect that an important market for Canadian canned fruits had opened up in the United Kingdom with the help of the British Preference received striking confirmation on Monday, November 14, when special ceremonies marked the loading for the first time in Lake Ontario of all the space in an ocean vessel with canned fruits entirely sold to Great Britain and with more to follow. So brisk has this market been that, as mentioned in The Financial Post previously, pears and peaches on the tree this Autumn were sold as canned goods before they were canned. There was a market for every merchantable peach or pear of good quality when properly canned.

"Canadian Grocer" in its current number, expresses the opinion that the shipment of 100,000 cases of canned fruit from St. Catharines and Picton, Ontario, to Glasgow, Liverpool and London this week, may mark a new era for the export of these products from Canada to the United Kingdom. The shipment was made by Canadian Canners Limited and the special ceremonies referred to were held at the St. Catharines docks.

Must Speed Up Production

At a luncheon, C. E. Innes, assistant general manager of Canadian Canners, stated his hope that the occasion marked a new epoch for the producer as well as the canner of fruits in the Niagara Peninsula. If production of pears and peaches can be speeded up so that the cost to the canners can be reduced, the canning industry in Canada will be in a much better position to compete with California. This year, he pointed out, canners in Ontario have paid $40 a ton for peaches and the same price for Bartlett pears as against $10 per ton paid for each in California. Canada's preference in the British market worked out now at about 15 per cent and with lower costs it would be in a better position to compete. The United Kingdom purchased some 3,000,000 cases a year of canned fruits, 1,000,000 of which came from Australia. This left 2,000,000 cases approximately to come from Canada and the United States so that there was a wonderful opportunity, Mr. Innes contended, for Canadians to secure a greater share of this business.

W. R. Drynan, vice-president and general manager of Canadian Canners, Limited, is reported by Canadian Grocer as saying that the shipment had been entirely sold in the Old Country, that it wasn't going over on consignment, and that further sales had been made since then. It was all chiefly a result of the new Empire tariff.

EXCHANGE RATE VAGARIES SEEN IN WHEAT MART

New Factors Seen as British Prices Stabilize in Sterling

From Our Own Correspondent

WINNIPEG. — Prime Minister Bennett's disclosure of the wheat market operations conducted on behalf of the Dominion Government appeared to have no particular effect in the market. While the information given appears to have been a surprise in some circles, the main facts were already familiar to those in touch with the market, and no less familiar to dealers to British, European and United States markets than to those in Canada. Readers of The Financial Post have been kept familiar with the general outline of the situation for some time.

Except for this previously existing knowledge the disclosure would have been considered alarming, for traders avoid the market when they know a government agency is active to a large extent. A similar situation prevailed in the United States when the farm board was active, but now United States markets, with no artificial support, are stronger than Canadian market in spite of the government props under the latter.

Ignore British Preference

The international market also appears to ignore completely the establishment of the new British duties against foreign wheat which have now become effective, but Britain has for weeks been getting practically all her wheat from Empire sources.

Reports from across the line indicate a great deal of apprehension as to the condition of winter wheat. Severe Hessian fly damage in addition to that from drought, and unseasonably cold weather is expected to make itself felt in out-turns next summer.

Diversion of a cargo of Argentine wheat to Rumania, usually a heavy exporter of wheat, indicates how severely crops in the Danubian basin suffered this past season, but western European countries, fortified by large crops, are still buying very cautiously.

Hard to Calculate

From Our Own Correspondent

WINNIPEG.—The course of prices during the past week on the wheat market has been very much subject to the vagaries of exchange.

Prices rose when the gold value of the Canadian dollar fell, and fell again when the value of the dollar rose. But additional forces, of which perhaps more account will have to be taken than is customary, showed their influence. Thus British wheat prices showed a certain inertia when the pound sterling was fluctuating in gold value, suggesting that once prices had been established in sterling there was a tendency toward stabilization in that currency, and not in gold values. This is not surprising, since British purchases at present take up so large a part of the total of international trade.

This lends color to the theory that if the Canadian dollar is allowed to drop in international value, prices on Canadian markets, expressed in Canadian dollars, should rise accordingly. But Canada is playing even a larger part proportionately in international wheat sales than Great Britain in purchases. This country, having got used to selling at a certain level in Canadian currency, tends to accelerated selling as soon as prices rise above that level, so that the full effect of the shift in exchange values is not reflected in the wheat quotations. A decline in the Canadian dollar, therefore, can actually result in Great Britain getting cheaper wheat, while at the same time the producer is getting more for it.

By no arithmetical calculation, therefore, is it possible to determine by how much the dollar would have to depreciate in order to produce sixty or seventy-five cent wheat at once, while whether or not dollar wheat could be brought about this season by a mere process of currency is open to doubt.

U. S. Prices Still High

United States prices are somewhat farther out of line with Canadian prices and export levels than a few weeks ago. They have remained that way so long that it is not unreasonable to expect them to continue through the winter and until prospects of the winter wheat crop begin again to be a factor. Acreage seeded to winter wheat has again been reduced, and moisture conditions are again regarded as unfavorable.

Advance selling of both Australian and Argentine wheat is beginning to make itself felt to some extent at Liverpool, but it is not until March that the full force of shipments from those countries is felt in European markets. Up to the end of the year and beyond, Canada should continue to do the great bulk of the world's wheat shipping, while for some time after Southern hemisphere crops will contribute mainly, not to consumptive needs, but to building up stocks of wheat afloat.

Some time ago Mr. Broomhall estimated Russia's probable shipments for the current year at 40,000,000 bushels. They now seem likely to fall decidedly short of that quantity, in spite of occasional spurts made in weekly shipments.

Margins Narrow

Margins between different future months continue to narrow, and November wheat commands a premium over the December. Margins between different grades are also very narrow, with a spread of a little over eight cents a bushel covering all grades from one hard down to No. 5.

Durum premiums continue to be substantial. The United States will not sell at export levels, and Russia appears to be shipping but little of this kind of wheat, of which Italy must import some steadily for the manufacture of macaroni.

Downward revision of the Dominion Government estimate of the western crop to 411,000,000 was hardly a factor, as the market had previously decided that earlier estimates had been too high.

It seems difficult to reconcile the claims that farmers are storing wheat to avoid selling at present prices, as deliveries to date have been quite up to expectations from a crop of such size. Yet every elevator company has reports from its agents of actual wheat known to be in store on various farms, which under circumstances of other years would already have been delivered. Were this taking place to an extent corresponding with reports made, it would indicate a larger crop than estimated. The explanation probably is that many farmers, through necessity, have sold more of their crops than usual at this time, thus serving to balance the holding policy pursued by others.

New Books

"Queen's Quarterly"

The November number of "Queen's Quarterly" celebrates the Scott Centenary with four articles. The Quarterly, under its new editorial board, is swinging away from economics to essays on the humanities and historical and literary subjects. Nevertheless there is a good article by George Glasgow, on the coming world Economic Conference, and shorter reviews of the disarmament conference at Geneva and the Empire parley at Ottawa.

"Report on Co-operatives"

There has just been distributed the Fifth Annual Report on Co-operative Associations in Canada, a volume prepared by the Federal Department of Labor, the contents of which indicate the development and present strength of the co-operative movement. The arrangement of the report groups the associations in two main divisions; marketing and purchasing, the first group being subdivided according to commodities handled; the remaining two definite groups are under the headings of "Credit and Savings" and "Community Hall Societies." The list of associations closes with a miscellaneous section which includes the names of organizations which are formed for bargaining, educational or social purposes.

Creamery Butter output in Saskatchewan during October amounted to 1,259,574 pounds, being a decrease of 99,887 pounds, or 7.3 per cent from the production of October, 1931. This is the lowest decrease since early summer, output in September being 13.4 per cent below last year and in August 24.0 per cent below August, 1931.

GRAIN COMPANIES READY TO ACCEPT CUT IN CHARGES

But Ask It be Small and for This Year Only

From Our Own Correspondent

WINNIPEG.—When the Board of Grain Commissioners conducted a hearing on Tuesday to receive representatives as to what action should be taken towards reduction of storage charges in elevators in pursuance of the authority given them under the recently passed amendment to the Canada Grain Act, elevator interests appeared to maintain the justness of present tariffs, but at the same time indicated a willingness to make some sacrifice, provided it is recognized as temporary nature, to meet present emergency conditions.

J. R. Murray, representing a brief on behalf of the majority of elevator companies, protested that these companies could not stand a reduction to the extent which had been suggested, from one 30th of a cent per bushel per day to one 45th, and suggested instead that the reduction be made to one 35th, which would be the equivalent of a 15 per cent cut, provided that a reduction is found necessary. It was pointed out that Canadian grain handling charges are lower than those which prevail in the United States, and that changing conditions have not operated to reduce the expense of operation, except to a very small extent in connection with wages. Stress was laid on the fact that the elevator companies had co-operated with the government agency in the wheat market and had enabled it to transfer its forward commitments at less than the full scale of handling charges.

Temporary Concession

While the present large carry-over of grain in Canada had increased the volume to be kept in storage there was no other particular in which conditions had been made easier for elevator owners. It was insisted that any reduction now imposed should be considered as a temporary concession in view of emergency conditions, and should not interfere with later restoration of existing rates.

A. Cumberland Reid of the Western Grain Co. presented the matter from the standpoint of investors who had furnished capital for the erection of elevators. The three pool elevator companies took somewhat similar ground, suggesting that any reduction imposed should be for the balance of the present year only, and pointing in addition to the millions of dollars of taxpayers' money, which has been supplied against the security of these elevators, repayment of which will be imperilled by forced reduction of earnings.

E. E. Bayne, for United Grain Growers, was willing to concur in a small reduction of storage charges for the balance of the present season.

CLAIMS INFLATION AIDED AUSTRALIA

Melbourne Professor Says More Credit, Lower Costs Beneficial

Professor Copland, of the Melbourne University School of Commerce, who is one of the financial advisers of the Australian government, says that the financial position of that country has been saved by a threefold policy of currency depreciation, expansion of credit and reduction of costs.

The depreciation of currency in terms of gold now amounts to a 60 per cent discount from par of Australian exchange and a 25 per cent discount from sterling exchange.

Professor Copland indicates that the cost of producing Australia's exports could not have been reduced in proportion in the fall of wholesale prices abroad and that the high rate of foreign exchanges has been highly beneficial to all rural production. Credit expansion was achieved by advances by the Commonwealth Bank for meeting government deficits, on condition that drastic cuts in expenses be made, and for loan works selected for their productive value and for unemployment relief schemes of importance to future development.

In reducing their costs the governments cut salaries from 15 to 30 per cent, the Arbitration Court made reductions of 10 per cent in all wages paid under federal awards, and there were additional percentage reductions according to the fall in costs of living. Interest on the internal government debt and on mortgages was reduced by 22½ per cent through a voluntary conversion, the area of taxation was extended and there was a notable patriotic response to the greater demands of the tax collector.

Deductions were also made from small salaries and wages by means of duty stamps down to a few pence a week. All government benevolence including old age pensions surrendered something.

There has been a certain amount of criticism of the steps taken, but it is said to have come mainly from party politicians. The people, Professor Copland states, have stood up to the exactions with fine resolution, and are now looking for a regular advance to happier times.

As a result of these drastic measures the Commonwealth's revenue for July and August exceeded expenditures by £2,141,000.

Coal Production in Sept. Drops 30 p.c. from Average

Canadian mines produced 914,467 tons of coal in September, a 28.9 per cent decline from the five-year average for the month of 1,286,174 tons. Bituminous coal output in September totalled 600,737 tons, sub-bituminous coal, 42,664 tons and lignite coal, 271,066 tons.

Alberta's production during the month amounted to 418,778 tons or 1.1 per cent below the September, 1931, total of 425,541 tons. Nova Scotia mines produced 304,536 tons, a decline of 23.2 per cent from the output in the corresponding month last year of 396,510 tons. British Columbia's coal production showed a 11.4 per cent falling off to 128,590 tons from the output a year ago of 145,079 tons. Saskatchewan produced 45,494 tons and New Brunswick 17,069 tons as compared with the outputs in September, 1931, of 35,130 tons and 12,399 tons, respectively.

Insurance Company Wins

Action brought by B. L. Stalling and Wm. Currie, of Halifax, against the Crown Life Insurance Company for commissions of $30,000, was recently dismissed in supreme court by Chief Justice Rose at Toronto. The insurance company counterclaimed for $1,337.45 and this was allowed by His Lordship with costs.

Leather Footwear Output Shows Increase in 1932

Leather footwear business continues to progress. Production in September amounted to 1,723,202 pairs, an increase over the preceding month of 14,843 pairs, and an increase over September, 1931, of 50,765 pairs. The increase over September, 1931, is due to the greater output of footwear with felt uppers, and of slippers, the former showing an increase of 26,935 pairs, or 86 per cent, and the latter an increase of 35,946 pairs, or 24 per cent.

Cumulative production for the nine months ending September was 13,940,630 pairs, or an average per month of 1,548,959 pairs, compared with a total of 13,735,242 pairs, and a monthly average of 1,526,138 pairs for the corresponding period of last year.

Footwear (not including rubber goods) imported into Canada during September totalled 55,763 pairs, compared with 36,386 pairs in the preceding month, and 104,314 pairs in September, 1931. Canadian-made leather footwear exported in September, 1932, was 1,450 pairs, compared with 1,474 pairs in August and 1,829 pairs in September, 1931.

Stove Production Valued at $6,979,000 in 1931

There were manufactured in Canada in 1931 57,129 coal and wood cooking stoves and ranges, 31,530 gas cooking stoves and ranges, 26,441 electric cooking stoves and ranges, 44,224 coal and wood heating stoves, 3,418 combinations for gas and coal, 1,583 combinations for coal and electric, and 125 combinations for gas and electric. In addition there were 62,168 electric cooking plates and grills, 4,049 electric rangettes and 7,127 gas cooking plates. The production from 56 factories was valued at $6,979,497.

Imports of stoves included: apparatus designed for cooking or for heating buildings, for gas, 11,563 units at $207,021; for coal, wood or oil, $714,414; for electricity, 1,210 units at $79,516. Exports of stoves, except electric stoves, were valued at $82,468.

Petroleum Production in Canada Off 36 p.c.

Canadian wells produced 79,813 bbls. of crude petroleum in September as compared with 85,229 bbls. in the preceding month and 101,435 bbls. in September, 1931, according to the Dominion Bureau of Statistics. During the first nine months of 1932 the total output was 817,580 bbls., a 36.1 per cent decline from the production in the corresponding period of 1931.

Alberta wells produced 67,247 bbls. in September consisting of 61,746 bbls. of crude naphtha and 1,642 bbls. of light crude from the Turner Valley, 2,319 bbls. of light crude from the Red Coulee field and 1,540 bbls. of heavy crude from the Wainwright field.

Washing Machines in '31 Made to Total of 75,000

Production of washing machines in Canada during 1931 totalled 75,240 in number and $6,921,003 in value as compared with the peak for this industry for 100,224 machines worth $10,076,445 in 1929. Output amounted in value to $9,301,711 in 1930, $8,311,259 in 1928, and $5,096,492 in 1927.

Imports of washing machines and parts during the calendar year 1931 dropped to 7,778 machines at $601,604 from the 1930 figure of 17,358 machines and parts at $1,235,994, while exports of washing machines and wringers during the same period advanced in value to $226,660 from $160,578.

Central Bank For New Zealand

Acting on the recommendations of Sir Otto Niemeyer, when he visited the islands in 1931, the government of New Zealand has been considering the establishment of a central bank. It is likely that a bill will be introduced by the government during the present session providing for such an institution.

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Unsecured rugs, slippery or highly polished floors?

Wabbly ladders?

Leaky connections in gas heater, range, furnace or lighting fixture?

Defective electric wiring or appliances?

Matches within reach of children?

Unlabeled poisons?

"IT was an accident" is a poor alibi for injuries which could have been prevented.

Ask yourself what caused the latest injury to one of your own family or to a friend. Was it a *true* accident which could not have been prevented or was it the result of carelessness? Most accidents are of the preventable kind. Could any member of your family suffer a serious injury in your home because of hazards you have not removed? Could you walk safely in any part of the house, day or night, without fear of falling over some temporary or permanent obstruction?

Last year in Canada and the United States there were almost as many deaths from accidents in homes as there were from automobile accidents. Many cripplings which happened in homes could have been averted.

Scaldings from boiling liquids, burnings from fire and hot surfaces could have been prevented by greater thoughtfulness. Most of the injuries from sharp tools and instruments could have been prevented by carefulness. Investigating gas or gasoline leaks with a lighted match is a direct invitation to a disastrous explosion.

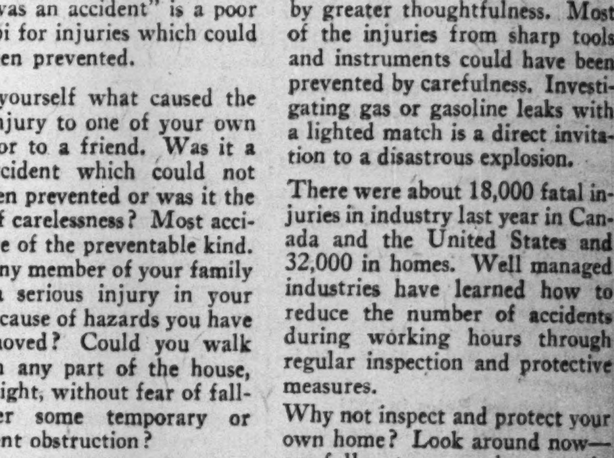
There were about 18,000 fatal injuries in industry last year in Canada and the United States and 32,000 in homes. Well managed industries have learned how to reduce the number of accidents during working hours through regular inspection and protective measures.

Why not inspect and protect your own home? Look around now—carefully—to see what can be done to make your home safer.

Send for and use the Metropolitan "Home Inspection Chart" which lists many of the places where dangers may lurk in your home. Your copy of the Chart and also a booklet, "Accident Prevention in the Home", will be mailed free. Address Booklet Dept. 11-F-32.

METROPOLITAN LIFE INSURANCE COMPANY
Frederick H. Ecker, President

CANADIAN HEAD OFFICE - OTTAWA



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6. Details of capital reorganizations.
7. Balance sheets and earnings statements for 1931, 1930 and 1929.
8. Price range of stocks for 1931, 1930 and 1929.

Facts covered include: Earnings statements and balance sheets for 1931 compared with those of 1930 and 1929; details of each bond issue; whether interest is payable in Canadian, New York or sterling funds; times bond interest earned, etc.

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Ford of Canada Lines Up With Imperial Programme

Despite Past Vicissitudes and Loss in 1931 Company Was Never So Strong—Divides Empire Business With English Ford—Exports Pick Up

Though Ford Motor Co. of Canada did not earn a single cent on the common stock in 1931, there is no stock on the Canadian list with more interesting possibilities as soon as the back of the depression has been broken and national affairs and world business are once more proceeding without hindrance from unstable exchanges, excessive tariffs and amateur political attempts to right matters by artificial credit and money tinkering policies.

No industry prospers more from having prosperity widespread than does the automobile industry and that is especially true of a company that has always striven with almost unexampled ingenuity to provide as good cars as possible for as little money as possible. Such a company has a big stake in the farmer, the worker, the miner, the business man, and the white collar employee receiving stable incomes sufficiently high to permit of car purchases on the installment payment plan. Prevailing uncertainty in the last two years as to what the morrow would bring forth has hit car sales the deadliest blow in the history of automobiles, and returning confidence in general business will be therefore the best indication that better times are in store for this company.

Leads Off Empire Treaties

In the meantime the company is in an excellent and preferred position to take advantage of such measures as have already been proposed. The successful conclusion of a series of treaties between the several nations of the British Empire is especially favorable to this company which until last spring had the exclusive manufacturing and selling rights for Ford cars and trucks and Fordson tractors in all parts of the British Empire, except Great Britain and Ireland. Last spring it anticipated the Imperial Economic parley at Ottawa by making an agreement of sweeping significance with Ford Co. (England) by which Ford of Canada will manufacture the new V-8 models for distribution by the English company in the United Kingdom and on the continent of Europe and in some parts of Northern Africa and in near Asia. In exchange Ford of Canada is to take the new 8 horsepower midget Ford cars made in England and to distribute these in the Canadian company's export territories in Australia, India, Malay, New Zealand, South Africa and elsewhere. The first order from England amounted to $3,000,000 for the Canadian company and from Canada $2,000,000 to the English company. The first order was for 1,800 V-8 models on wheels and between 18,000 and 20,000 V-8 engines.

Export Business Recovers

The total production for export of cars from Canada in the first nine months of 1932 amounted to 8,420 as compared with 11,160 in the same period of 1931. The falling off would have been so bad as to mean almost the elimination of Canada's automobile export business if it had not been for this arrangement under which in June, July, August and September sales far transcended those made in the corresponding months of 1931. It would not be surprising if the end of the year found Canada's exports of cars comparing quite favorably with those of 1931, and this mainly because of the arrangement made by Ford of Canada. For the time being at least the new treaty arrangement in the British Empire made at Ottawa makes it likely that manufacture of Ford 8's will continue in Canada while in other parts of the Empire assembly, distribution and sales will constitute the company's chief effort. Its Imperial efforts outside Canada are in the hands of the following subsidiaries: Ford Motor Co. of South Africa, Ford Manufacturing Co. of Australia, Ford Motor Co. of India and Ford Motor Co. of Malaya.

Meets Certain Hazards

Export business these days for a world company may be considered a hazardous matter. Ford, like other Canadian companies in the same fix found itself obliged in 1930 and 1931 to a certain extent to keep its funds within the various countries where it operated because the governments were averse to permitting money to be sent out of the country. It is therefore interesting to note that the company's reserve for investments in affiliated companies and contingencies was increased during 1931 from $2,000,000 to $3,250,000. A note to the 1931 balance sheet stated that this reserve was sufficient to provide for full depreciation in market value of bonds, impairment of capital of affiliated companies and depreciation in foreign exchange as at December 31, 1931. Improved current conditions in Australia give hope that this situation will be remedied eventually.

Equity Thrice Market Value

Whatever the troubles of Ford Co. in the domestic and export markets may be in the years immediately ahead, the way in which it has confronted the situations confronting it in 1930, 1931 and 1932 to date justify a high measure of hope in the holder of the company's shares even though dividends will not be paid in all probability until the company is once more enjoying profitable business. The company entered 1932 with its current assets of $27,174,310 just 55.20 times current liabilities of $492,228. There is an equity of $24.95 a share behind the 1,658,960 shares outstanding and $16.95 a share in working capital alone. This is the situation for a stock now selling at around $8 a share for the Class "A" stock which sold as high as 70 in 1929, 38 in 1930, 29¼ in 1931 and 16¾ in 1932. The stock sold at its lowest point since the war at 5¾ this year. At current prices the company could pay off the whole of its outstanding "A" stock from its liquid resources and still have a strong capital position.

Price Depressed by Fear

Why, then, does the stock stay so low? It is because people see the automobile industry apparently on its back when compared with 1929 levels of production; they know that the Ford Company of Canada lost money in 1931 and may also in 1932; they fear that too many people who formerly bought automobiles will in future be unable to do so; and they see so many companies competing keenly and effectively for business by continually reducing prices that they want above all to see the company publishing in its annual report details of an actual net profit before taking heart again.

Made History in 1929

It is true that the company is no longer either alone or head and shoulders above every other competitor in the low-price car field as it was from 1907 to 1927 but judged by its own performance alone the company has shown no evidence of waning strength or ability to cope with the problems always confronting the industry. Its real test was in 1927 when the public was beginning to show a decided preference for the higher-speed cars outside the Ford Co. class group. The way that all the Ford companies tackled the problem in 1928 and 1929, and changed over to cars which met every public demand in speed, strength and appearance at extraordinarily low prices, will always have a place in industrial history. It is doubtful if such a costly major operation was ever undertaken so successfully by an industrial company. In comparison with that problem so effectively solved the problems of model changes from year to year under present conditions need not cause great anxiety. There is little reason to doubt that this company will have its share of business in the future.

The efficiency of most of the large competitors is in one sense an advantage as no buyer now fears that he is not getting a superb machine when he gets a new car either from Ford or his major competitors.

Upward Trend Only Halted

Nor is there reason to believe that the upward trend of the industry is more than halted, unless one doubts the whole stability of the present-day capitalistic system. Granted prosperous conditions again, one has only to look at the number of automobiles in proportion to population in the United States to see that the British Empire has a long way to go before any so-called "saturation" point will be reached. Many investors fear railroad stocks because they think the railroads have passed their hey-day and must lose more and more to automobiles and trucks. The only future competitor in sight for automobiles is the airplane and that is likely to supplement rather than compete with the automobile seriously. In any case, it is likely that a quick upward urge in airplane manufacture in the future would find the chief automobile companies getting into the business as they already have done to a certain extent. The growth in extent and quality of good roads have made the automobile both luxury and necessity and few families in the decades ahead will be long content to be car-less if they can possibly afford a car. As cities from year to year penetrate their business districts with fine motor highways the trend should be even more assisted. "Saturation" is not yet a problem, but income levels of the great majority of citizens is the great problem.

Record is Reassuring

The company's record may be summarized in a few words. It made 55,616 cars and 2,335 tractors in 1920, 100,614 cars and 6,140 tractors in 1926, 70,259 of the new cars and 2.186 tractors in 1930, 30,980 cars in 1931 and probably 20,000 at least in 1932. The tractors are now made in the Ford plant in Ireland. Taking the same years as examples of the company's progress, the total assets, total sales and other income and the net profits available for income are shown in the following table:

Year	Total assets	Total sales	Available for divs.
1920	18,981,785	43,671,988	4,696,244
1926*	46,110,916	54,254,619	5,341,177
1930	60,203,320	45,858,087	3,157,877
1931	58,484,169	21,596,851	†1,384,757

*Seventeen months period.
†Deficit.
Note:—There was a larger deficit in 1928 than that of 1931, and 1925 showed the largest peak profits with 1929 running it close.

Has Large Nest-egg

On March 15, 1929, the company split its old stock 20 for one. It sold to shareholders of record March 23, 1929, 138,970 of the new Class "A" shares at $20 a share and on April 2, 1929, at $30 a share 119,990 shares, thus giving the company a gross amount of $6,379,100. This money has made a substantial contribution to the company's cash strength and more than twice that amount is still available in current assets. At the end of 1931 it had $4,757,775 in cash and $14,362,646 in bonds of Dominion and provinces. It owes nothing to the banks whereas at the end of 1928 it owed the bank over and above its cash $4,459,469 and its government bond holdings were less than $3,000,000. In the same period the company liquidated part of its inventory and accounts receivable and its accounts payable and other expenses were at the lowest point in a decade. More than two-thirds of the $24,886,944 shown for fixed assets is provided for in depreciation reserve which has been added to materially even in recent years.

The 1,658,960 no par value shares are divided as follows: 1,588,960 Class "A" non-voting stock owned by the public and 70,000 Class "B" voting stock. The latter is held closely and carries higher market prices because of the scarcity and voting power though in every other respect similar.

Canada Cement

Please be good enough to tell me something about the position of Canada Cement Co. I hold one of this company's bonds and am wondering whether interest will be earned this year. Have profits declined?

Sales and earnings of Canada Cement Co. during the fiscal year which will end November 30, have declined. Government statistics show that total production of cement in Canada in the first half of this year was lower by 50 per cent in comparison with last year; since Canada Cement Co. produces about 80 per cent of the cement manufactured in Canada, it is apparent that the company has felt the effects of this decline. An improvement in the situation surrounding the company must depend upon a betterment in constructional activity.

Despite lower output, it is our understanding that bond interest will be earned in the current fiscal year, though it is likely that earnings available for depreciation and other charges will be substantially reduced. In the past the company has written off considerable sums for various reserves; after depreciation, bond interest was earned 2.9 times in the last fiscal year. The latter period, however, included a substantial carry-over of orders from 1930; prospects for the coming year are dependent upon more activity in construction.

Canadian Car

I hold some preferred shares of Canadian Car and Foundry Co. What is the outlook for this company? Has it purchased many of its own preferred shares during the year?

Though the financial statement of Canadian Car and Foundry Co. for the fiscal year ended September 30 is expected to show a loss on operations, the strong cash position of the company is a point which is noteworthy. As you know, common dividends have been suspended. The forthcoming balance sheet is expected to reveal a number of preferred shares purchased during the last year.

In viewing the outlook for the future, it is well to remember that depreciation and obsolescence are making inroads into idle as well as active railway rolling stock. The difficulties encountered by the railways at the present time preclude their purchasing new equipment, but the time must come when the roads will have to restore their depleted rolling stock. When that time comes Canadian Car and Foundry should benefit; in the meantime, its financial position should enable it to withstand the effects of the present difficult situation.

Canadian Oil Companies

Is dividend on common stock of Canadian Oil Companies safe?

Canadian Oil Companies is still paying its dividends on the common stock at the annual rate of $1 a share which rate has been maintained ever since the old common stock was split six for one in April, 1927.

Throughout the history of the company from 1918 8 per cent preferred dividends have been paid. The first payment on common stock was in 1919 of one per cent and in 1920 of 15 per cent. There were no payments in 1921 or 1922, one per cent in 1923, no payments in 1924 and 1925, and five per cent in 1926. Since then payments have been made regularly. Amount available for the common stock decreased somewhat in the last three years, as shown by the fact that earnings on the common stock were $2.89 a share in 1929, $1.35 a share in 1930 and $1.20 a share in 1931.

Working capital position was strong at the end of 1931. In that year bank loans and advances were reduced from $450,000 to $100,000. The company publishes no income and surplus account, but the earnings estimate given was derived from analysis of the certified balance sheet and is therefore, arbitrary. The company has no funded debt. It owns and operates 125 gasoline stations in Canada and has a refinery at Petrolia with a capacity of about 50,000 barrels monthly.

One cannot consider the company's record as necessarily conclusive. For example, one finds the general world situation as to oil products uncertain due to the potential over-production of crude oil and the excess of refinery capacity over present consumer demand. The general trend is toward increasing consumption of oil products, but in the last decade producing and refining companies have increased much faster even than consumer demand. The Canadian industry has been protected to a considerable extent against this world situation but rapid increase in refinery capacity and in service station and other outlets for products of such refineries may mean increasingly keen competition. That might conceivably affect the profits of all companies. This is not a prophecy; it is only a case of pointing out a danger which may yet be avoided.

How Regain Lost Money

I have lost quite a bit of money in the last crash and can now invest $2,000. Which stocks are about to appreciate first?

Would you recommend buying Cockshutt Plow, Massey-Harris, Canada Dry?

Cockshutt Plow and Massey-Harris are leading manufacturers of agricultural implements in Canada. Cockshutt Plow has most of its plants concentrated in Canada and depends therefore for its prosperity on conditions in Canada. Massey-Harris is a world company and depends on conditions the world over. Agriculture, as you know, has been prostrate for three years and the prices of agricultural products must rise before demand for the products of these companies can be expected to improve or before old debts are liquidated in sufficient measure to release the considerable frozen assets of these companies, particularly of Massey-Harris.

It is of interest to note that Canada Dry paid its last dividend due on October at the old rate of $1.20 a share per annum because Canada Dry was expected to base its dividend policy on the results from the fourth quarter of the year which ended on September 30. There was some hot weather during the summer, but as a whole the weather was cooler than in most years. However, the company did quite well in its third quarter and the result of the fourth quarter was expected to determine whether it would be able to continue dividends at the present rate. That result will be made public in the annual statement which last year was not available until December 15. The company from year to year adapts its dividend rate to actual conditions. The next period of interest in the affairs of this company will be in 1933. Winter sales are never as important as during the summer, and occasionally they even show a loss. The company has been developing new lines to supplement the old, and has by price and other concessions been meeting attempts of competing organizations to get business. It is a period of struggle and of competitive enterprise in which from an operating standpoint Canada Dry appears so far to be holding its own. All soft drink companies have been showing some drop in earnings during the period of depressed business.

The Financial Post cannot tell you which stocks will appreciate first. Only tipster sheets do that, advertising their lucky guesses and wrapping their "wrong steers" in a mantle of convenient forgetfulness.

Simpson's and Eaton's Bonds

I want to ask you for a little information on the Robert Simpson Co., 1949 bonds. Do you think they are good, as I hold a number of them? Also the T. Eaton Co., 1949 bonds. Are they good? I have some of them.

You ask if we consider your Robert Simpson Company bonds due 1949 to be safe. In the first place, those bonds are not of the Robert Simpson Company but of Simpson's Limited which was incorporated under Dominion laws in 1929 to control the Robert Simpson Company. There are two series in the first mortgage and collateral trust sinking fund gold bonds of Simpson's Limited, series A 6 per cent due 1949 and series B 5½ per cent due 1949. An annual cumulative sinking fund of 2 per cent per annum began on January 2, 1931, for the retirement of these bonds. Those series rank equally as a direct obligation of Simpson's Limited, secured by a specific first mortgage on all the company's present and future real estate, buildings and equipment, including all of the issued common shares of the Robert Simpson Company, Ltd. All its assets present and future, not embraced on the fixed charge, will be covered by a floating charge. These bonds have, therefore, behind them not only the Robert Simpson Company common shares but additional properties constructed such as the property at the corner of Metcalf and St. Catherine Sts., Montreal, and the customers' parking garage in Toronto. All bond interest of Simpson's Limited in the year ending February 3, 1932, was earned 2.9 times before depreciation and twice after depreciation. So far this year earnings have not been on as high a scale as in the last year reviewed. The dividends on Class A shares and on the 6½ per cent preference stock have been passed. Prohibitory tariff enactments are stated by the president to have caused the company heavier losses because of the lower volume of business and the difficulty of buying foreign goods that customers want. An improvement in business confidence and conditions and more stability in commodity values would be of assistance to the company in the future.

The T. Eaton Co. has always stood in people's minds as representing in Canada the acme of financial strength. It is subject, of course, to the same current influences as Simpson's, and the immense new store on College Street, Toronto, is regarded as of more significance in considering the future development of the company when harmonious business conditions are once more established throughout Canada than as a source of immediate profits. The company does not make public its financial statement as its shares are held closely, mainly in the Eaton families.

Dominion Motors

What are prospects for Dominion Motors maintaining present dividend?

As Dominion Motors has just stopped paying its dividend your questions with regard to this company are partly answered.

Only actual experience with sales in the next two or three years can give information as to the company's prospects. It will be a period of keen competition in which each company is striving to get precedence with respect to reviving demand. The company is now under competent Canadian direction and has made some valuable contacts which may be of advantage to it in the future.

The situation will be closely watched by The Financial Post and from time to time articles will be published as information can be obtained.

Brantford Cordage

I wish you would give me a good line up on Brantford Cordage Co. 1st preferred common $25 par value stock. These shares are paying a good dividend and believe it may be a good buy to put away just from the dividend standpoint. Please say how 1932 profits compare with 1931. Also give a detailed account of the shares redeemed, the number each year, and where and how bought. Does the Imperial preference affect the company in any way? Would you advise buying a few shares?

Almost any day now shareholders should be in receipt of the financial statement of the Brantford Cordage Co. Ltd., for the year ended August 31, 1932. As soon as it is released it will be analyzed in The Financial Post and a comparison will be made of 1932 profits with those of 1931.

You ask about redemption of the 8 per cent cumulative first preferred, redeemable, sinking fund, participating shares of $25 par value. At the end of 1925 there were 80,000 of these shares issued and redemptions have proceeded from year to year until there are now outstanding 68,198 shares of $25 par value. These were shown on the balance sheet on August 31, 1931, at $1,704,950. It is possible that the forthcoming financial statement will show further reductions.

The financial statement is likely to show sales volume of binder twine to have been well maintained, but 1932 prices are more than one-third below 1931 levels on most qualities. The average grade, which sold in 1931 for 11 to 11½ cents a pound, has been selling for 7¼ to 7¾ cents, the lowest in thirty years. The financial statement forthcoming will show how much this low price has affected the company's revenue in spite of the large volume.

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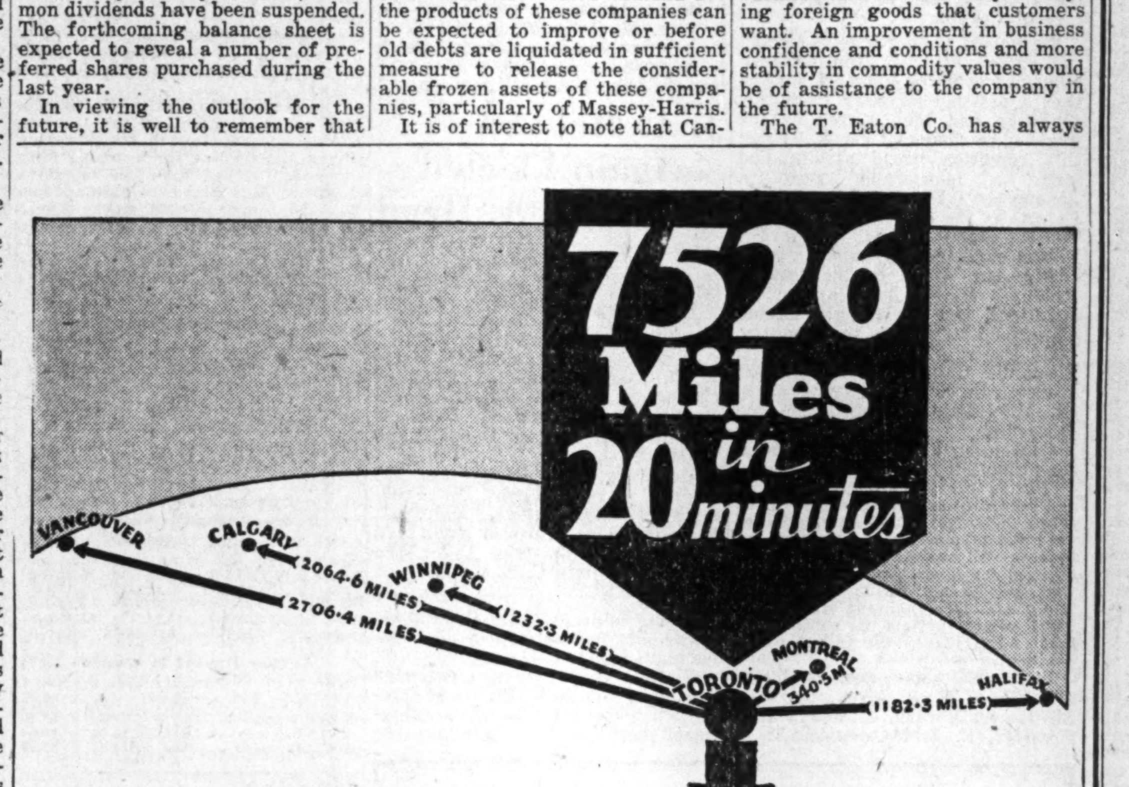

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THE BELL TELEPHONE COMPANY OF CANADA

UNITED GRAIN GROWERS LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND SURPLUS, JULY 31st, 1932

PROFIT for the year ending July 31, 1932 ..... Before charging Interest on Bonds and Mortgages or providing for Depreciation.		$917,245.83
Deduct: Interest on Bonds and Mortgages ..... Including proportion of Bond Discount and Expense written off.	$242,436.92	
Provision for Depreciation on Capital Assets	466,552.08	
Provision for Income Taxes	28,042.99	
		737,031.99
		$180,213.36
SURPLUS: Balance at Credit July 31, 1931		808,387.95
		$988,601.31
Deduct: Dividend of 5% to Shareholders		160,043.71
SURPLUS as at July 31, 1932		$828,557.60

CONSOLIDATED BALANCE SHEET, JULY 31st, 1932

ASSETS

CURRENT ASSETS:			
Cash in Bank and on Hand		$ 218,369.84	
Advances on Farmers' Grain and Accounts Receivable ..... Including grain storage charges and other accruals after providing for estimated doubtful accounts.		570,461.93	
Inventories (as certified to by the management):			
Grain Stocks ..... (Net after deducting storage tickets, etc.) on basis of market values at July 31, 1932.	$1,614,182.28		
Farm Supplies, etc. ..... At cost.	531,577.08		
		2,145,759.36	
			$2,934,591.13
INVESTMENTS:			
Stocks and Bonds ..... At approximate market values.		$ 20,900.00	
Memberships ..... At cost.		114,880.80	
Mortgages and Agreements of Sale		107,237.97	
			243,018.77
DEFERRED CHARGES:			
Miscellaneous Deferred and Prepaid Expenses		$ 38,016.56	
Bond Discount and Expenses—Less Amounts Written Off		202,562.06	
			240,578.62
BONDS PURCHASED IN ANTICIPATION OF SINKING FUND REQUIREMENTS:			
First Mortgage Gold Bonds:			
Series "A," due 1948, of a par value of $240,000.00 at a cost of		$ 204,892.30	
Series "B," due 1949, of a par value of $74,500.00 at a cost of		56,547.50	
			261,439.80
CAPITAL ASSETS:			
Country and Terminal Elevators, Warehouses, Printing Plant, Machinery, Office and Other Equipment		$11,176,842.01	
Less—Reserve for Depreciation		3,573,113.76	
		$ 7,603,728.25	
Timber Limits		60,000.00	
			7,663,728.25
			$11,443,356.57

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable and Accrued Liabilities		$ 986,276.37	
Bond and Mortgage Interest Accrued		47,664.00	
Shareholders' Dividends		186,098.68	
			$1,220,039.05
FUNDED AND MORTGAGE DEBT:			
First Mortgage Sinking Fund Gold Bonds: Authorized, $7,500,000.00; Issued, $4,500,000.00.			
Series "A," 5%, due January 2, 1948		$3,750,000.00	
Series "B," 5½%, due May 1, 1949		750,000.00	
		$4,500,000.00	
Less—Bonds Redeemed and Cancelled through Sinking Fund:			
Series "A" 1948 Bonds	$ 441,000.00		
Series "B" 1949 Bonds	69,500.00		
		510,500.00	
		$3,989,500.00	
Mortgages		493,917.20	
			4,483,417.20
CAPITAL AND SURPLUS:			
Capital Stock:			
Authorized 200,000 Shares of $25.00 Each	$5,000,000.00		
Subscribed		$3,377,575.00	
Less—Amounts Unpaid		176,514.50	
		$3,201,060.50	
General Reserve		1,710,282.22	
Surplus		828,557.60	
			5,739,900.32
			$11,443,356.57

Approved on behalf of the Board:
R. S. LAW, Director.
E. E. BAYNE, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of United Grain Growers Limited and Subsidiary Companies for the fiscal year ending July 31, 1932, and have obtained all the information and explanations which we have required.

The quantities and values of the stocks of grain, farm supplies, etc., have been certified to by responsible officials of the Company and adequate provision has been made for all outstanding accounts considered doubtful. The securities covering the investments in stocks, bonds and memberships have been produced for our inspection or verified by certificates from the depositaries, and cash in banks has been confirmed by certificates obtained by us direct from the Companies' bankers. We have taken reasonable precautions to satisfy ourselves that all liabilities at July 31, 1932, have been taken up on the books as at that date.

We further report that, in our opinion, the above Consolidated Balance Sheet as at July 31, 1932, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of United Grain Growers Limited and Subsidiary Companies according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Winnipeg, October 21, 1932. PRICE WATERHOUSE & CO., Auditors.

Insurance for Buyer and Seller

CONFEDERATION HAS GOOD RECORD IN TEN MONTHS

Total Business in Force Now $376,160,000, Company Reports

A good record of new ordinary business paid for by Confederation Life Association during the first ten months of 1932 is reported in the monthly agency bulletin of that company. Business paid for by the Confederation Life Association in Canada was only 17 per cent below the five year average as compared with the corresponding decrease of 23.97 per cent for the average of the fifteen companies reporting to the Life Insurance Sales Research Bureau of Hartford.

In all but three provinces, the percentage of decrease by Confederation Life was less than the corresponding figure for the 15 companies reporting to the Sales Research Bureau. Particular mention is made of the fact that in Quebec an actual gain of 14 per cent over the five year average is recorded by Confederation Life as compared with an average decline for the 15 companies with 17.1 per cent. In Ontario, Confederation Life was behind by only 1.15 per cent. This compared with an average decline of 18.78 per cent for the 15 companies.

Foreign Business Good

The company also reports that since resuming the writing of new business in Mexico, approximately $1,500,000 of new business has been written while in the United Kingdom production for the present year amounted to over $5,300,000. Cuban business of the company has produced nearly $2,225,000 of new business, it is stated.

In the group field the company reports that in the first ten months of the year new business amounted to slightly over $4,300,000.

Total insurance in force as at the end of October amounted to $376,160,000 of which $351,809,000 is ordinary and $24,350,000 is group.

Richter Will Provides Chair in Act. Science

In the will of the late J. G. Richter, former president of the London Life Insurance Co. provision has been made for the endowment of a chair in actuarial science at the University of Western Ontario. The will is now being prepared for probate and consists largely of life insurance, government bonds and stocks of London financial companies in which Mr. Richter was interested.

After various legacies to relatives and various organizations, a life interest in securities presently valued at $60,000 is given to the late financier's daughter, Miss B. M. Richter. The value of these securities, which it is thought will increase substantially in years to come, will go eventually to the university to be used for the purpose of maintaining a chair, or chairs, of actuarial science and insurance accounting and finance, or in such other manner as may be deemed best for the purpose of enabling students to obtain a general knowledge of:

1. The principles underlying the construction of mortality tables.
2. The commutation and other tables deduced therefrom in conjunction with assumed rates of interest.
3. The practical application of the foregoing and the bearing thereof on the business of life insurance in all its forms.

Strength—stability—safety and progress—The CANADA LIFE Established 1847

Fourteen Fire Classifications Show Improvement in 1931

Detailed Analysis of Insurance Risks By Key Groups Shows Gains and Losses of Past Year

Improvement in fire loss in 14 of the 27 classifications for which returns are analyzed by the Dominion insurance superintendent is reported for 1931, according to figures received by The Financial Post this week. Net premium income in 1931, (after deduction of licensed reinsurance) totalled $52,014,600 and ratio of losses incurred on this basis for all classes of risk was 60.15 per cent.

Analyzed according to the 27 groups for which federal statistics are now compiled it is found that in 14 of these groups with a total premium income of $11,345,000, the loss experience to fire companies in Canada was better this year, while in the remaining 14, embracing premium income of nearly $40,000,000, a heavier loss ratio was experienced. The 1931 loss ratio of 60.15 per cent compares with 58.11 per cent for 1930 and 51.83, the five-year average loss ratio in the past five years.

Chief groups for which a better experience was obtained were: sprinklered risks; miscellaneous manufacturing properties; mercantile risks (wholesale stores, warehouses and contents), and grain elevators. Chief groups where 1931 experience was poorer than a year ago are: dwellings of all types; retail mercantile risks, and miscellaneous one-year risks.

The highest loss ratios for the year were chalked up in the flour and oatmeal group where losses were 202 per cent of premiums; sawmills which had a 173 per cent ratio; tanneries with a 171 per cent loss rate and boot and shoe factories where the loss ratio was almost 111 per cent. Detailed premium and loss figures for each separate classification for 1931 together with the corresponding ratio for 1931 and the five-year average, are shown herewith. The following table also analyzes experience for Canadian, British and foreign companies:

CLASSIFICATION OF FIRE INSURANCE RISKS IN CANADA, 1931

(A)—BY TYPE OF COMPANY

	Canadian Co's. Net prem. written* $	Ratio† %	British Co's. Net prem. written* $	Ratio† %	Foreign Co's. Net prem. written* $	Ratio† %
Dwellings (in protected municipalities)	2,157,111	43.25	4,384,242	48.03	3,079,240	54.39
Dwellings (in unprotected municipalities)	783,972	76.67	1,605,659	71.28	977,806	87.88
All other dwell. & farm prop.	1,558,156	64.44	1,024,527	114.03	584,653	110.54
All other 2 or 3-yr. risks	882,328	64.77	1,257,893	58.35	385,186	61.24
Merc. risks (wholesale)	222,332	62.44	586,943	44.42	692,515	72.25
Mercantile risks (retail)	1,777,839	58.56	3,878,392	52.13	4,619,776	64.66
All other merc. risks	222,196	45.63	648,315	50.72	412,134	57.46
Breweries & malt houses	24,611	8.52	82,384	67.43	81,152	73.32
Boot & shoe plants	6,018	172.32	20,388	75.23	18,299	132.89
Canning factories	39,501	44.91	135,753	28.84	161,044	39.27
Confec. & biscuit	26,964	66.65	30,589	59.22	23,667	71.42
Flour & oatmeal mills	30,809	184.98	90,700	226.34	84,790	182.85
Grain elevators	444,223	46.98	353,873	50.70	257,185	42.34
Laundries	20,045	32.72	75,116	58.37	55,240	60.60
Sawmills	61,046	180.18	256,846	168.92	229,621	177.82
Lumber yards	88,961	68.69	291,693	56.24	252,140	64.17
Machine shops, etc.	116,209	36.64	246,814	46.02	231,674	37.37
Mining risks	62,255	21.28	337,861	21.32	243,967	20.51
Pork packing & curing	15,147	23.11	44,458	46.78	[illegible]	33.15
Pulp & Paper mills	25,454	4.41	76,853	4.78	76,893	24.52
Street car barns	20,675	79.82	92,102	117.32	57,799	36.90
Tanneries	3,497	95.71	14,993	194.99	18,666	166.65
Wood-working factories	93,377	43.50	220,970	66.43	309,034	72.19
Woollen & knitting mills	9,619	34.03	19,695	31.64	23,064	87.46
All other mfg. risks	356,469	44.83	1,000,861	60.40	1,081,107	56.67
All other 1-year & short risks	1,385,187	59.04	3,589,500	72.19	3,467,753	58.26
Sprinklered risks	351,543	22.14	1,544,280	26.29	1,342,220	25.41
Total, 1931	10,546,727	57.29	21,830,028	65.10	19,637,849	61.66
Total, 1930	11,254,082	57.42	23,735,257	57.29	20,094,744	59.45

*Less licensed reinsurance.
†Ratio net losses incurred to net premiums written.

(B)—ALL COMPANIES

	Net premiums written* 1931 $	Net losses incurred† 1931 $	Ratio of net losses inc. to net prems. written 1931	1930	5-yr. av.
Dwellings (in protect. municipalities)	9,620,593	4,713,714	49.00	46.40	39.68
Dwellings (in unprotected municip.)	3,367,437	2,604,930	77.36	60.99	63.69
All other dwellings & farm prop.	3,167,316	2,974,420	93.91	80.48	79.88
All other 2 or 3-year risks	2,508,439	1,677,683	59.74	40.70	53.87
Mercantile risks (wholesale warehouses & contents)	1,510,790	1,085,469	71.85	102.50	64.92
M'cantile risks (retail stores & cont.)	10,275,997	6,049,938	58.87	55.90	51.04
All other merc. risks	1,188,645	619,066	52.08	48.86	40.50
Breweries & malt houses	188,147	125,705	66.81	10.10	32.40
Boot & shoe factories	42,685	47,274	110.88	209.47	117.31
Canning factories	336,298	120,185	35.67	53.01	44.70
Confectionery & biscuit factories	81,520	67,020	82.21	68.98	66.74
Flour & oatmeal mills	206,299	417,323	202.29	97.94	85.15
Grain elevators	1,055,281	496,988	47.10	107.64	71.24
Laundries	150,401	76,303	50.73	51.14	38.96
Sawmills	567,513	985,953	173.73	110.53	81.70
Lumber yards	762,794	510,763	67.00	61.67	45.00
Machine shops & metal workers	701,647	282,693	40.29	71.08	44.89
Mining risks	640,083	137,897	21.42	17.06	47.16
Pork packing & curing houses	118,848	38,005	31.98	47.23	27.47
Pulp & paper mills	178,985	26,169	14.06	22.53	49.98
Street car barns	170,576	145,886	85.53	109.74	55.52
Tanneries	37,096	63,588	171.41	....	166.01
Wood-working factories	616,107	407,584	66.15	69.82	54.55
Woollen & knitting mills	52,378	29,676	56.66	59.81	128.28
All other manufacturing risks	2,438,437	1,376,964	56.47	66.00	54.88
All other 1-year & short term risks	8,442,440	5,429,285	64.31	50.93	49.85
Sprinklered risks	3,238,043	824,995	25.48	39.32	35.13
Total	†52,014,604	†31,288,072	60.15	58.11	51.83

*Licensed reinsurance deducted.
†Includes small sums not distributable to any one class.

SUN'S POSITION GIVEN IN LETTER FROM A. B. WOOD

Managing Director of Big Life Firm Comments on '32 Operations

In an open letter to the company's policyholders, Arthur B. Wood, vice-president and managing director of the Sun Life Assurance Co. of Canada points out that in the first nine months of the year the company has disbursed $83,000,000 in death claims, matured endowments, dividends and other payments to policyholders and that in the same period, income was several millions of dollars in excess of total expenditures, including all expenses of management, etc.

Applications for new insurance this year have been received at an average of $1,250,000 per working day says Mr. Wood, and in Canada, about 40 per cent of this has been from old policyholders. This is termed "a gratifying evidence of confidence and satisfaction."

Mortality Favorable

Mortality experience continues favorable with actual claims incurred at only 57.7 per cent of those provided for. As a result considerable savings have resulted from this source, it is pointed out.

Commenting on other phases of the company's operations and on the effect of security price declines on the company's position, Mr. Wood says:

"The manner in which our business has renewed has been most satisfactory. Cancellations from all causes have been much fewer than expected. The renewal premiums paid during the first nine months of the year have aggregated the largest amount, during any corresponding period, in our history.

"Policy loans, while naturally larger than usual, have, in most cases been applied to meet urgent needs and, hence, were a boon of incalculable value to the policyholders. Repayments of policy loans have been well maintained and actually have been greater than in 1931—a satisfactory and significant fact.

"While we have shared the experience of financial institutions in general of reduced investment earnings, on the other hand we have been able to effect substantial savings by a reduction of expenses, which have, to a considerable degree, offset the lower earnings of this year.

Decline of Security Prices

"The decline of security prices on the stock exchange is the subject of frequent comment. Anyone familiar with the facts knows that the vagaries of the stock market affect only those who are obliged to sell in an unfavorable market. A life insurance company is not in that position. Its liabilities do not fall due at one time; its obligations are extended over the life of a whole generation. It invests its assets, therefore, in long term securities yielding a satisfactory rate of interest, which will mature or can be realized on to meet obligations as they fall due. Hence the mere rise and fall of these quoted values does not necessarily mean the gain or loss of a single dollar to the company. Comparatively few sales of securities have been made during the year, and on these a substantial net profit has been realized.

"It is a provision of the Canadian insurance law that every Canadian company must at all times retain in Canada and under its own control, assets at least equal to its total liabilities to its policyholders in Canada. The amount so held by the company is greatly in excess of that required by law."

A Bright Future
is assured for the family which utilizes the protection, security and investment value of the policies written by
The MONARCH LIFE ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG
Let a Monarch Life representative help you plan for the protection of your future.

FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
WESTERN ASSURANCE COMPANY
ESTABLISHED A.D. 1851

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

BUSINESS GOOD FOR CANADA LIFE IN GREAT BRITAIN

Reasons for Annuity Boom Explained By British Manager

THIRTY-YEAR RECORD

All Canadian Companies Share in Increased Business—Rate Increase Offset By Keen Selling

As a fine wind-up to its 30th year of operation in Great Britain, the British Isles division of the Canada Life Assurance Co. has in the past six months written more annuity business there than in the two previous years combined, J. R. Wandless, the company's manager in the British Isles, told The Financial Post last week. Mr. Wandless is making a periodic visit on company business to the head office at Toronto.

"Even our ordinary life business this year has been about the same as last year," Mr. Wandless told The Financial Post, "New life insurance plus our annuity business will considerably exceed the record of last year when our office was responsible for over £4,000,000 of new business. Last year our annuity business totalled £574,000 and the previous year it was £503,000. This year in less than six months we wrote more than both these amounts combined."

Conversion Loan Responsible

Specific reasons for the amazing gain in popularity of Canadian annuity contracts has been of course the war loan conversion scheme which has been put across with such success in Great Britain. Under this conversion scheme, thousands of investors who held large blocks of bonds and were dependent on the interest for their income, found their annual return cut suddenly from 5 to 3½ per cent and in many cases it was imperative to find some way in which the loss of income could be augmented. The answer in a large number of cases was found by using a part of the capital to purchase an annuity contract and thus bring the income return back to the old 5 per cent level.

The actual procedure in most cases, according to Mr. Wandless, was to convert the old 5 per cent bonds and in this way gain the 1 per cent bonus offered to those who converted before certain date. Then a portion of the new 3½ per cent bonds were sold in order to purchase an annuity which together with the remaining capital, yielded a return equal to that enjoyed under the old plan. By purchasing an annuity with a portion of his capital, a man of 62, for instance, or a woman of 65 could obtain a return of 10 per cent. Of course in this way a certain amount of capital was necessarily sacrificed, but many found it imperative to do this in order to maintain an income on which they were dependent for the necessities of daily life.

Rates Now Increased

Naturally all life companies, whether British or Canadian, shared in this sudden demand for new annuity business, but the fact that the current return offered by Canadian companies has in recent months been considerably better than that offered by leading British life offices, proved an important point in favor of the Canadian companies doing business there. Most British companies lowered their annuity return — which is equivalent to saying they raised their rates—when the conversion plan was announced, but Canadian companies took no action in this respect until November 1 of this year which gave them an important advantage for several months. Thus during the six-month period, June-October inclusive, Canada Life, for instance wrote more annuity business than in the previous two entire 24 months of 1930-31.

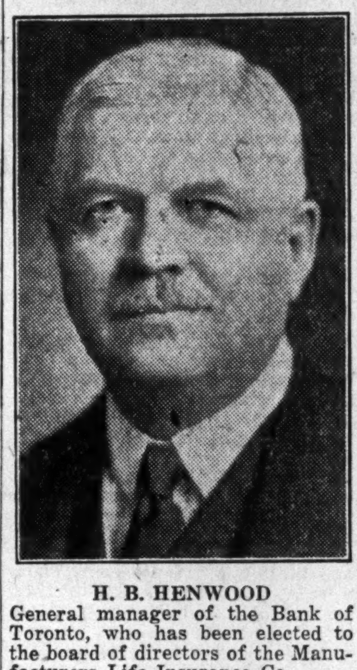
Canadian companies have now lowered their annuity rates in Great Britain, the net result being to reduce the interest return to annuitants by roughly three-quarters of 1 per cent. This action was taken jointly by all Canadian life companies operating in Great Britain and became effective about November 1. The new rate schedules are on the average said to be about comparable with corresponding rates of competitive British life offices and are a reflection of the belief brought to a head by the war loan conversion, that over a term of years the prospect of lower interest rates does not justify the payment of annuities at the old and higher basis.

Aggressive Sales Methods

In spite of the removal of the temporary advantage in the matter of rates, Canadian companies still stand to receive a very large share of British annuity business, according to Mr. Wandless, because of the more aggressive sales methods which have been introduced and adopted in Great Britain by Canadian companies and which form a considerable contrast to the more conservative methods of the British life offices.

"Canada Life, for instance," says Mr. Wandless, "has built up in its thirty year history in the British Isles a reputation equal to that of the leading home offices and in that time has developed a fine body of highly-trained salesmen under a separate British organization, which is producing a steadily increasing volume of business. Over a generation Britishers have come to have a high regard for Canadian life insurance companies."

Insurance Director



H. B. HENWOOD
General manager of the Bank of Toronto, who has been elected to the board of directors of the Manufacturers Life Insurance Co.

More than a Quarter of a Million Dollars a Day
was paid out in 1931 to Sun Life Policyholders or their beneficiaries.
Every one of the policyholders concerned valued his contract with the Sun Life sufficiently to keep it in force.
The Life insurance policy you now own is much more valuable to you than a new policy.
Take out as much new insurance as you can afford, but be sure to keep your old policies in force.
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

Bank Chat

Bank of Nova Scotia has made this change in staff appointments: THOMAS WILSON, formerly at Woodstock, N.B., to be manager at St. Stephen, N.B., taking the place of H. J. Gordon who has retired.

The Canadian Bank of Commerce announces the following changes in staff appointments: A. G. PARKS, formerly at Morell, P.E.I., to be manager at Alberton, Prince Edward Is.

J. W. W. OXNER to be officer in charge at Belleoram, Newfoundland.

J. D. BISHOP, formerly manager at Belleoram, Nfld., to be manager at Morell, P.E.I.

R. H. McDADE, formerly assistant manager, to be manager at Rio de Janeiro, Brazil.

The Canadian Bank of Commerce announces that as of Nov. 15 the following branches of the bank will be closed: Golden Lake, Harriston, Lakefield and Teeswater, all in Ontario.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES Toronto Ottawa Vancouver Victoria Edmonton Calgary Saskatoon Winnipeg Montreal Quebec City St. John Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.
This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger HEAD OFFICE: TORONTO, CAN.

Strength - Stability - Service
Assurances in Force (Dec. 31, 1931)...$513,379,937.00
Assets $125,848,128.74
Surplus Funds and Contingency Reserves $12,412,836.25
MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.
The Mutual Life of Canada Established 1869
A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution. F1

Current Events in Banking World

BARCLAY'S BANK GAINED IN 1932 SAYS R. L. BORDEN

President Addresses Shareholders at Annual Meet

Re-election of directors and officers and other routine matters featured the annual meeting of Barclay's Bank (Canada) at Montreal this week. While no figures were given out, Sir Robert Borden, in presenting the accounts for the past year, referred to a steady increase in Canadian notice and demand deposits, and stated that in view of condtions the situation had been well maintained in advances and discounts. He declared that on the whole the bank had made substantial progress during the year and had already gained a place in the financial and economic structure of Canada.

Sir Robert Borden was re-elected still suffers severely from lessened values of primary commodities and that a possible recovery from this condition had been stayed by the world-wide financial crisis. From this condition world affairs had made a measurable recovery. Among the effects of this crisis on Canada is the current premium on United States funds, which Sir Robert expected to disappear eventually, but which in the interim creates a serious handicap for institutions and individuals having obligations to meet in that country.

Of the results of the Imperial Economic Conference Sir Robert observed that they are being worked out in detail by legislation and otherwise.

Continuing his review of general conditions Sir Robert said:

"During the past year government and corporation issues have been taken up so fully and so rapidly as to indicate abundant financial resources still awaiting suitable opportunities for investment. Fortunately, there has been little or no hoarding in Canada. The inherent stability of our banking system is such as to inspire and justify the fullest confidence."

Retiring directors were re-elected as follows: H. P. Alton, Rt. Hon. Sir Robert Borden, G.C.M.G., J. S. Crossley, C. S. Macdonald, A. A. Magee, K.C., Arthur B. Purvis, W. O. Stevenson, Hon. L. A. Taschereau, LL.D., K.C.

Sir Robert Borden was reelected president and A. B. Purvis was reelected vice-president at a subsequent meeting of the directors.

Judge Thinks Banks Underpay Employees

At the criminal assizes at Calgary, Mr. Justice Ives granted a two-year suspended sentence to Bert Wright, a Calgary bank teller, charged with theft of $659 from the Dominion Bank. "I have had a great deal to do with banks," said Mr. Justice Ives. "I know that there are, in many cases, gross underpayments to employees and these are an invitation to become dishonest."

Counsel for Wright stated that the teller had received $800 a year from the bank and that this had subsequently been raised to $1,200 and later reduced to $1,100 in the interests of economy. Mr. Justice Ives stated that a teller had responsibilities and must maintain a social position. He advised the teller to return the money to the bank as soon as possible.

J. A. McLeod Again Elected C. B. A. Head

At the annual meeting of the Canadian Bankers' Association on Nov. 10, J. A. McLeod, general manager of the Bank of Nova Scotia, was re-elected president.

Vice-presidents elected were: S. H. Logan, Canadian Bank of Commerce, M. W. Wilson, Royal Bank; H. B. Henwood, Bank of Toronto, and Jackson Dodds, Bank of Montreal.

Honorary presidents are Sir George Burn, Ottawa; Sir Frederick Williams-Taylor, Montreal; Sir John Aird, Toronto and C. A. Bogert, Toronto, who takes the place of the late C. E. Neill.

Foreign Exchange

AFTER the gyrations of the previous week, caused by the announcement of a change in the monetary policy of the Government, the Canadian dollar recovered some of the lost ground to 88⅝ cents in New York on Nov. 14, which value, however, was below its high on the recovery.

Greater stability in Canadian exchange was due in large measure to a recovery from the nervous state of the previous week. The statement that the purpose of the altered government policy was to ease internal credit and was in no way intended as a direct inflationary measure helped to allay fears of the foreign exchange markets.

* * *

WHILE the premium on United States dollars fell off somewhat during the week, sterling was stronger at $3.33 in New York and $3.76 in Montreal funds. Possibility of smaller demands for U. S. funds, if the British war debt service payable in the United States Dec. 15 is not required, is the strongest factor in the position of sterling in New York.

The strength in sterling in Canada may have an effect on the Government's attitude toward the lowering of the fixed value for dumping duty purposes. It had been the intention to lower this fixed valuation from $4.40 to nearer the $4 mark. There is, however, nothing to prevent the Government altering such an arbitrary level at will from time to time as in the case of the arbitrary value for special duty purposes.

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Nov. 8	15	14 5-8	11	10 3-4
Nov. 9	15 1-2	14 5-8	11 1-8	10 3-4
Nov. 10	14 3-4	13	10 15-16	10 7-8
Nov. 11	....	....	.....	.....
Nov. 12	12 3-8	12 1-8	11 1-8	10 3-4
Nov. 14	13 3-16	12 1-8	11	10 7-8

Sterling, Francs and Lire
Close Demand in New York

	Sterling	Francs	Lire
Nov. 8	......	....	....
Nov. 9	3.30 3-8	3.92 1-16	5.11 5-8
Nov. 10	3.28 3-8	3.92 1-4	5.11 5-8
Nov. 11	3.31 1-4	3.91 7-8	5.11 7-8
Nov. 12	3.32 3-4	3.92	5.11 5-8
Nov. 14	3.32 7-8	3.91 15-16	5.11 5-8

Close Demand in Toronto

Par		Oct. 31	Nov. 7	Nov. 14
5.26	Italian	5.65¾	5.88¼	5.78¾
23.80	German	26.28½	27.30	26.85
13.90	Belgian	15.31	15.96	15.64
49.80	Japanese	24.06	24.15	23.73

Provincial Bank Cuts Dividend Rate 1 p.c.

By declaration of a dividend of two per cent payable Dec. 1 to shareholders of record Nov. 15, directors of the Provincial Bank have reduced the rate on the bank's stock from nine per cent to eight per cent per annum.

In doing this the institution follows the example of other Canadian banks which recently reduced the rate of payment on their shares.

Weekly Bank Clearings

Eastern Cities

	Nov. 12, 1931	Nov. 10, 1932
Halifax	$ 2,126,884	$ 2,066,055
Saint John	1,693,185	1,444,893
Moncton	598,385	686,905
Sherbrooke	575,411	668,573
Quebec	4,746,670	4,845,379
Ottawa	5,464,879	4,323,894
Montreal	92,649,942	84,797,160
Peterboro'	631,539	667,997
Toronto	74,852,426	89,919,266
Hamilton	3,681,505	3,742,312
Kitchener	760,705	769,949
Brantford	756,664	807,050
London	2,053,026	2,132,859
Chatham	598,786	385,806
Windsor	2,043,417	2,254,016
Sarnia	363,221	386,453
Sudbury	547,958	547,348
Kingston	602,128	573,885

Western Cities

	Nov. 12, 1931	Nov. 10, 1932
Fort William	$ 597,352	$ 650,153
Winnipeg	50,342,252	50,606,273
Brandon	370,940	369,489
Regina	4,584,542	4,924,589
Moose Jaw	1,250,157	1,057,687
Saskatoon	1,876,895	1,698,987
Prince Albert	366,892	327,547
Edmonton	4,916,887	4,707,085
Calgary	5,823,991	5,686,844
Medicine Hat	224,589	230,403
New Westminster	409,947	417,427
Vancouver	12,120,881	12,694,185
Lethbridge	499,933	493,667
Victoria	1,486,943	1,362,729

First Winnipeg Bank Opened 60 Years Ago

November 9, 1932, was the sixtieth anniversary of the opening of the first chartered bank at Winnipeg. The honor, according to Fred Williams in the Toronto Mail and Empire, belongs to the Merchants Bank which was absorbed by the Bank of Montreal in 1922. There was, of course, no Winnipeg then; it was not until the following year that the Red River settlement became the City of Winnipeg. The man selected by the directors at Montreal for this adventure in the "wild west" was Duncan McArthur, who had been with the Hudson's Bay Company at Montreal, and was, presumably, promised the support of that company in the venture. Anyway he went west, reaching the Red River after many days of weary travelling, and on November 9, 1872, he threw open his doors in a brick-veneer building on the west side of Main Street, at the corner of what is now McDermot Avenue.

The population then was 1,200, composed largely of Lord Selkirk settlers, mostly of Scottish origin (to whom a Scot like McArthur appealed), some French half-breeds and a few Indians. The business grew; in five years it was necessary to erect a new building, which did duty until 1902, when it was replaced by a handsome bank structure in 1913 to the present Lombard building. The Merchants' bank kept pace with the city; it suffered, of course, from the bad times in the early 80's, but it made money and was highly regarded by the early citizens.

There had been a private bank started before the merchants began business, that of Alexander McMicken, opened January 4 previously, so that 1872 saw the opening of both the first private and the first chartered banks. The private bank was a sort of an offshoot of the federal administrative office. Gilbert McMicken had been sent to the Red River as assistant receiver-general for the Dominion Government, immigration agent, lands agent, Dominion auditor, and manager of the Dominion Government savings bank, which latter he handed over to his son, Alexander, who developed a business of his own as a result of his contact with the federal savings branch, quite legally and of public service.

Duncan McArthur stayed with the Merchants until 1883. Two years later he organized the Commercial Bank of Manitoba, which went down in the crash of 1893. He also organized the Manitoba and North-Western Railway, which he later sold to Sir Hugh Allan; he was one of the originators of the project to build a railway to a Hudson Bay port, being one of the officers of a company incorporated for that purpose; he was vice-president of the Northern Pacific and Manitoba Railway, one of the leaders in the battle for the cancellation of the C.P.R. monopoly, and, I think, one of the participants in the famous "diamond" session of that period, when the Manitobans laid steel across the C.P. tracks. He sat for a while in the Legislature for Assiniboia, and was an active worker for the development of his adopted province.

Canadian Life Officers Hold Annual Meet

Annual meeting of the Canadian Life Officers Association will be held at Toronto, November 18.

In addition to reports from G. Cecil Moore, president of the association and other executive officers and committee heads, the association will hear an address from Col. W. L. McGregor, of the Canadian Chamber of Commerce on "Public Expenditure and Taxation in Canada." Dr. W. J. Bell, deputy minister of health for Ontario, will speak on "Public Health Organization"; H. H. Wolfenden, F.I.A., F.A.S., F.R.S.S., will speak on "Social Experiments and Insurance"; and C. G. M. Wynne, taxation division, Sun Life Assurance Company, will speak on "Insurance Companies and Quebec Municipal Taxing Authorities."

Retirement . . . With Pay
Usually, as life goes on, there comes a time when we realize that we cannot draw indefinitely on the bank of earning capacity, and that some day we MUST retire . . . and then we begin to think ahead. Think . . . but, all too seldom, do we plan. The years pass swiftly and, before we know it, the time for retirement arrives and finds us unprepared.
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Heavy School Costs Can be Cut Deeply

There Are Definite Reasons, Some of Them Uncontrollable, Why Expense of Secondary Education Has Advanced to Such a Degree

By VICTOR LAURISTON

A great deal has been written about the high cost of education, and particularly the high cost of secondary education. This is a popular topic of complaint throughout Canada from the Atlantic to the Pacific. No community is immune.

Most discussions of the subject have confined themselves to a comparison of costs then and costs now; to the discovery that costs now are prodigiously higher than costs then; and to the inference that costs should be cut.

There has, however, been little if any intelligent information either as to why costs are higher or how they can be cut. The remedy, if any, is usually some vague suggestion about "cutting out the frills."

Typical Case History

In an effort to supply fair and unbiased information, heretofore lacking, I shall cite the case of one Ontario community—not on a par with Toronto and not in the Mabee's Corners class, but somewhere in between.

While other communities may reveal differences in degree, the general principles discoverable in this community are true of communities in all Canadian provinces.

Comparison of Costs

In the year 1885 this community replaced its old Grammar School building with what was then considered a modern high school. At that time the enrollment was 192. The new building cost around $20,000—approximately $100 per pupil.

The town then had a population of about 8,000, with an assessment of $3,148,551. Of the 192 pupils, about two-fifths came from the county. The cost of operating the school for the year 1885 was around $5,000. Of this amount the province contributed $1,100; the town raised $3,000; and $900 was paid in fees.

To handle the 192 pupils, a principal at $1,200 a year and five assistants at salaries ranging from $800 down to $250 were required. Five of the six teachers were men.

If secondary school education in 1932, some 17 years later, were operated on the identical basis, and if basic costs were the same, what might we logically expect this community to spend in a year on secondary education?

What Might We Expect?

The population of the town, now become a city, is around 16,000. The rural population has not increased proportionately, and new secondary schools have sprung up in the adjacent territory. The birthrate, both rural and urban, is lower.

We might, on the 1885 basis, logically expect, in 1932, an enrollment of 400 secondary school pupils. To handle them, a staff of 12, with a salary list of $8,500, would be required. The school must be doubled, at an additional cost of $20,000, giving an entire investment in buildings and equipment of $40,000. The revenue required to run such a school would be $10,000; of which the town would contribute $6,000 and the province $2,200.

This would be the situation in this particular community if secondary school education of 1885 were still valid in 1932. What is the actual situation?

Situation is Different

This community has a collegiate institute, doubled more than 22 years ago, and representing an investment of $40,000. But it is woefully inadequate. This despite the provision in recent years of a technical school that cost around $180,000. The Collegiate Institute has an enrollment of more than 600 pupils, and the technical school an additional 300. This represents a total of 900 secondary school pupils, or more than double the reasonable expectation.

To handle these 900 pupils requires a staff of 17 collegiate institute and 14 technical school teachers, or 31 in all. The annual salary list for the two schools totals $74,330; and the actual cost of operation in the current year is estimated at $100,635.03.

Incidentally, a new collegiate institute is overdue. Plans for such a building with provision for expansion showed an estimated cost of $320,000, or over $400 per pupil—four times the cost of 1885!

So much for comparative statistics. But why do things happen thus? And what can be done about it?

Some Reasons for Increase

In order to work out a remedy, it is first essential to discover the cause. Why have secondary school costs grown out of all proportion to the growth in population?

The reader will have already discovered that, where, on the basis of increased population an enrollment of 400 might be regarded as the outside figure in 1932, the actual secondary school enrollment is 900, or more than double.

Increased enrollment goes a long way to explain increased costs.

Many years after 1885, school attendance was compulsory only up to 14 years of age and not after the high school entrance examination. Attendance at a secondary school was purely optional.

More than that, high school pupils paid fees—in this school the fee being 60 cents a month to a town pupil and $1 a month for a country pupil.

Two Classes of Pupils

Under such conditions, secondary school education was pretty well restricted to two classes of pupils: the children of the well-to-do folk who could afford to waste money in an effort to make a silk purse out of a sow's ear; and those children of poorer parents whose cleverness in public school clearly marked them for advancement and justified ambitious parents in making sacrifices for them.

In what respect has this condition been varied?

Many years ago, this town, in common with others, abolished fees to city pupils. When, later, the county municipalities were required by statute to pay a proportion of the cost of county pupils, county fees were also discontinued.

More recently, the Adolescent School Attendance Act has provided for compulsory attendance at full time classes of all children up to 16 years of age; with attendance at part time classes up to 18. Measures similar to this Ontario act are in force in at least some of the other provinces.

More Go to School

Furthermore, financial conditions in recent years have increased secondary school attendance. Public school graduates, who would normally secure money-making employment even in defiance of the Adolescent Act, now have no outlet for their activities except education. Even high school graduates unable to obtain employment come back for more education.

This explains a phenomenon that has puzzled a great many people—that, "in spite of the depression, school attendance is increasing." As a matter of fact, it is increasing as a direct consequence of the depression.

Problem of the Repeater

Under such circumstances, it would seem to be the part of wisdom to handle this increased attendance in such a way that the burden of overcrowding might be minimized.

This is not done, however; and the fault lies largely at the door of the Department of Education itself. Here arises the problem of the "repeater."

In the earlier days there were three departmental examinations which marked progress in a secondary school—the Primary, or Third Class; the Junior Leaving, or Second Class; and the Senior Leaving, or First Class. A pupil took a certain specified course, with some compulsory subjects and some options. If he failed in one subject he had to go back and take the entire course again.

Under this system, organization was simple; the proportion of successful pupils was large; and the proportion of repeaters — pupils who took the course a second time —was surprisingly small.

Now May Loaf Through

Today, the "unit system" of examination credits is in force. A pupil may write on eight subjects, get credits in two, and go back for the remaining six. He may get two credits the next year, and spend yet another year in getting the other four. Instead of passing outright or failing outright in the entire examination, the pupil can string a single examination over a long series of years.

It has been asserted that many secondary schools are cluttered with dilatory pupils taking only two or three subjects.

Every repeater adds one to the enrollment and one to the overcrowding regarding which there has been so much clamor.

Is Problem in West

Discussion of this phase of overcrowding and increased school costs has been more evident in Western Canada than in the east. Thus, A. M. Scott, superintendent of high schools, in his annual report states that the equivalent of three high school classes is maintained each year by the taxpayers of Calgary at an approximate cost of $10,000 for the benefit of students who fail to pass even three units of the examinations. The percentage failing to pass five units (regarded now as the normal school year) was 18.5 in 1931.

The Lethbridge, Alberta, board has adopted a rule requiring pupils to pass at least five units each year. A pupil failing to do so must appear before an investigating committee before he can register again; and any student requiring longer than five years to complete the high school course is to be charged $15 per unit to a maximum of $100.

Ontario boards have, so far, made no serious attempts to cope with the like situation.

Question of Salaries

In any school, salaries represent a large proportion of the operating cost; and this is inevitable when it is remembered that no other factor is so vital to the success of a school as the securing of thoroughly capable teachers.

After a long experience in such matters, I have come to the conclusion that the men and women who get the big salaries in teaching get them because they are worth the money. The value of an inspiring teacher cannot be measured in dollars and cents. A brilliant teacher who stimulates even the laggards, whose earnest work reduces the number of repeaters in his subjects, is worth infinitely more than an average or sub-average teacher who can be hired for half the money but whose indifferent work will clutter the school with "repeaters." The A-1 teacher will almost invariably save the taxpayers the difference in salary, if not the entire salary. All this without considering the most important matter, the impetus that the right kind of teacher gives to even the very ordinary pupil.

Why Salaries Have Risen

But, bearing this in mind, what changed conditions have affected the salaries since 1885? At that time a public school teacher, while teaching and earning, could study in his spare time and secure the certificates necessary to teach in a high school. As a result, a large proportion of the men and women holding high school positions came to their work after actual teaching practice carried on through several years of public school teaching. The secondary schools attracted the most capable and ambitious public school teachers; yet these were able to qualify for the higher work at comparatively small cost. And the comparatively low secondary school salaries of that era represented, to them, financial advancement.

This condition was drastically altered by the requirement that a high school teacher must be a university graduate. In addition to four years of university work, the would-be secondary school teacher had to spend one year at the College of Education (or, in the other provinces, some similar training school). In other words, he spent four years on certain advanced work in certain subjects, not necessarily connected with actual teaching; and a year, with approximately 40 practice lessons, in which he was supposed to learn how to teach restless and captious secondary school pupils.

Must Make Big Outlay

This changed system still produces capable and brilliant teachers; but it also produces a large proportion of teachers who cannot control their classes or present their subjects effectively. But, where fifty years ago a public school teacher could train for secondary school teaching and pay his way out of earnings as he went along, now a secondary school teachers' certificate represents an out-of-pocket investment of from $2,500 to $5,000.

Under these circumstances, the public has no right to expect its secondary school teachers to work for the sort of salaries that were paid in 1885. Nor has it, unfortunately, any right to expect, on the average, as efficient teaching as it got then.

In other words, increased salaries are justified by the increased cost of preparing for the profession; but the increased cost of preparing for the profession is not justified by the improved quality of the average product. The outstanding secondary school teachers are either those born with a flair for teaching, or those who have fought their way up from the public school ranks.

Influence of the Federation

A factor in increasing and maintaining secondary school salaries has been the Ontario Secondary School Teachers' Federation. Before this association was organized, secondary school salaries were admittedly low in comparison with the rewards of other professions involving a similar amount of training.

The Federation has done some good work toward improving the ethics of the profession; and in particular it has not hesitated to discipline members who violated written or even verbal agreements. This is to its credit.

It has been said that the Federation dictates salaries. This is not quite correct. What the Federation does—or rather, did— was to fix a minimum salary for secondary school teachers—$1,700 in a small community and $2,000 in a city. A board offering less than this figure to even the most callow and inexperienced graduate of the Ontario College of Education would find itself in difficulties with the Federation, and with the profession generally. And a teacher accepting less than the stipulated minimum wouldn't be in any too happy a position, either.

Higher Average Salaries

This year, in deference to prevailing conditions, the Federation —nominally, for one year only— waived its minimum requirement.

The result of the Federation's activities has undoubtedly been to increase the aggregate cost of secondary school salaries in Ontario; and also to increase the salaries of junior teachers. But other results include one or two anomalies.

For instance, a pupil in the entrance class would be taught efficiently by a capable teacher of twenty years' experience and proven ability, drawing, at the most, $1,500 a year. Next year the same pupil would be taught in the first form of the high school by an exceedingly junior high school teacher of unproven capacity or proven incapacity who nevertheless drew $2,000 a year.

The aggregate of these $2,000 salaries bulked so large in the minds of board members and the public generally, that it was difficult to pay the better teachers anything like what they were really worth. Communities that had salary schedules with automatic increases for public school staffs gagged at the very suggestion of putting secondary school teachers on a schedule basis; and increased the better teachers very reluctantly. Thus, the mass of the profession benefitted at the expense of the exceptional members. This, at least, was the situation in the community I am discussing.

Why Buildings Cost More

In 1885 this community built a new high school to house 192 pupils at a cost of $20,000, or approximately $100 per pupil.

In 1932 an architect's estimate placed the cost of a new building to house 800 pupils at $320,000, or $400 per pupil.

The explanation inevitably is, "Too many frills!" Yet the $320,000 building had nothing that was not required for the efficient operation of a school. There was, for instance, no swimming pool. A school of that size, with frills, would have cost around $500,000.

In school buildings, a great many factors enter into the increased costs of 1932.

For instance, the 1885 building was old-fashioned brick and timber construction, with brick walls and wooden joists. It had a slate roof, but in all other respects was a firetrap. The lighting was totally insufficient. The corridors were narrow, and open cloak rooms were provided in place of modern individual lockers. It was merely an old-fashioned school with the necessary classrooms, an assembly room perched on top of the building, and a heatless frame gymnasium. All of which the public got for the comparatively small sum of $20,000.

Are Better Buildings

The 1932 building was of steel-concrete construction, faced with brick. It was fireproof, or practically so. It had adequate lighting in every classroom, wide corridors, locker accommodation, an auditorium and two modern gymnasiums. The scheme provided a principal's office, teachers' rooms, library and a basement lunchroom—items provided by utilizing odd corners that would in the earlier rays have been used as cloakrooms.

Factors in the increased cost of building are self-evident. There is, first, the increased cost of materials. There is, too, the desire to incorporate in a new building certain features that make for the more efficient working and management of the school. The main factor is the higher standard of construction evolved since 1885 which gives us a building fireproof and practically indestructible.

Schools in many communities have, in recent years, been built on too expensive a scale, so-called frills being allowed to run riot. The question remains: Would it pay any 1932 community to revert to the 1885 type of school? Especially as the cost of such a school now would be several times what it was then.

What About Remedy?

In this community, in common with other communities, secondary school costs have increased out of all proportion to the increase in population. For this increase, it has been seen, there were a variety of reasons and open-handed lavishness on the part of successive boards of education was only a small factor. Recent experience, however, has clearly demonstrated the danger of allowing costs to expand indefinitely: and under existing conditions, the part of wisdom is not merely to halt these costs but to reduce them.

Reduction, however, is something which must begin with the department of education, which has been responsible for most of the factors leading to increased costs.

The subject is a live one and numerous remedies have been suggested. One of these is a reduction of the age of compulsory attendance to 15 years, or even to 14. Another is the elimination of laggards and repeaters, or placing them on a fee basis.

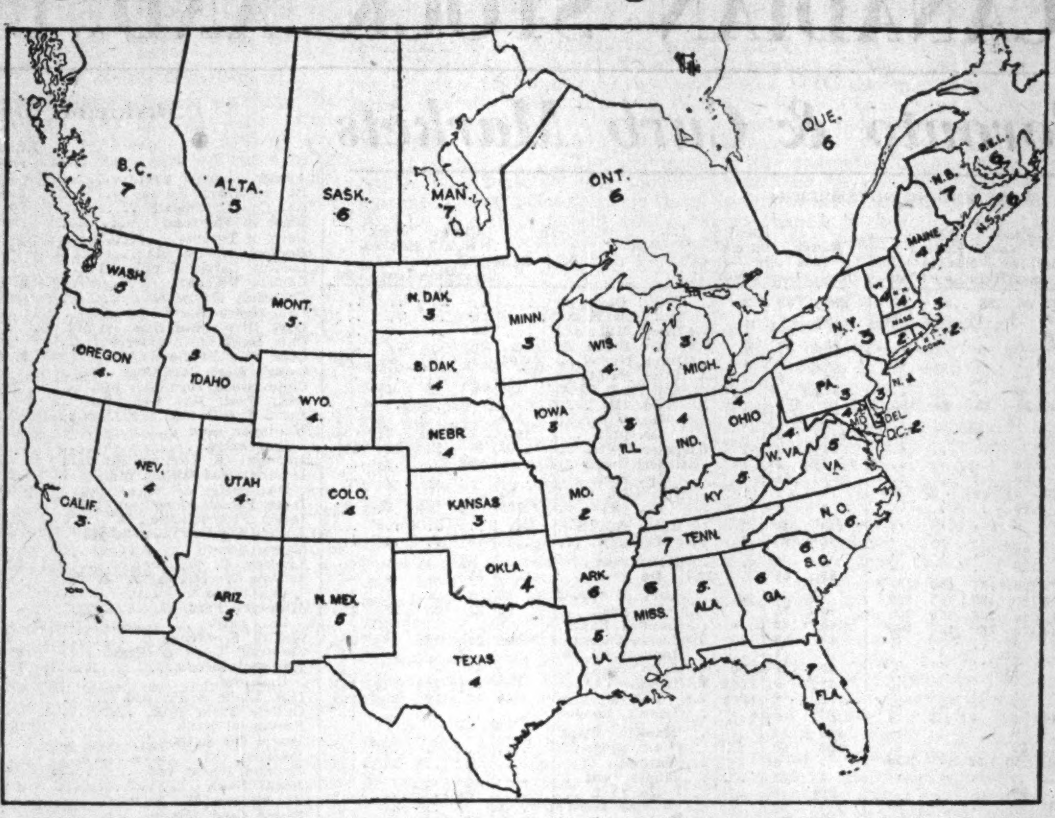
"Staggered" Classes

Whether it is desirable under existing conditions to exclude any student is open to argument; but London, by the system of 'staggered classes," has shown what can be done toward solving the overcrowding problem and handling a larger attendance more efficiently and economically.

The reduced minimum for new secondary school teachers will produce a saving without even touching the salaries of teachers now employed. The tendency of most boards has been to maintain salaries, with temporary deductions, in the hope that conditions will right themselves. In the long run it might be desirable to recruit the ranks of secondary school teachers from the pick of the public school teaching profession, as an alternative to the present onerous and expensive methods of training.

Under existing conditions the tendency of boards will be to utilize existing buildings and equipment until conditions improve; and where new building is undertaken to restrict the school facilities to the bare essentials. This will not, however, help the numerous communities that did their new building in the lavish post-war era.

Canada's Gasoline Taxes Highest on Continent



This map of gasoline taxes levied by the various States of the United States and the several provinces of Canada, shows that state taxes run from two to seven cents a gallon while in Canada taxes run from five to seven cents, Alberta being the only province in the five-cent class. South of the line only Tennessee and Florida charge seven cents a gallon, five states have six-cents a gallon taxes, nine have five-cent taxes on each gallon and all the others have between two and four cents a gallon. Much of the unrest in Canada over high gasoline prices is due to these high taxes.

Prairie Provinces Plan Co-operative Legislation

At an inter-provincial conference of the three prairie provinces held recently at Regina, it was decided that governments of the three provinces should co-operate in the widest possible way in matters of mutual interest. It is expected that this may foreshadow uniform legislation on debt adjustment, increased size of municipal units, consolidation of arrears of taxes and general relief measures.

Representatives of the provinces will take up particular matters with Ottawa. Hon. M. A. McPherson, attorney general, will represent Saskatchewan, Hon. Geo. Hoadley, minister of agriculture will represent Alberta and a minister to be named will represent Manitoba.

Vancouver Grain Trade at Double 1931 Rate

Export grain shipments throughout the port of Vancouver up to Nov. 11 amounted to 24,554,315 bus. compared with 12,147,246 bus. up to the same time in 1931.

Of the total exports, 20,049,006 bus. went to the continent of Europe and the United Kingdom compared with exports of only 8,897,008 bus. to the same destinations in the 1931 period. The orient took 4,228,640 bus. in the 1932 period compared with 2,987,855 bus. in 1931.

Great West Life Increases Business Issued in October

New life insurance issued by Great West Life in October amounted to $4,415,158, according to figures published in the company's monthly agency bulletin. This compares with $3,640,427 in September.

Total business issued to date this year is given at $44,695,814 as compared with $55,683,552 in the first ten months of 1931.

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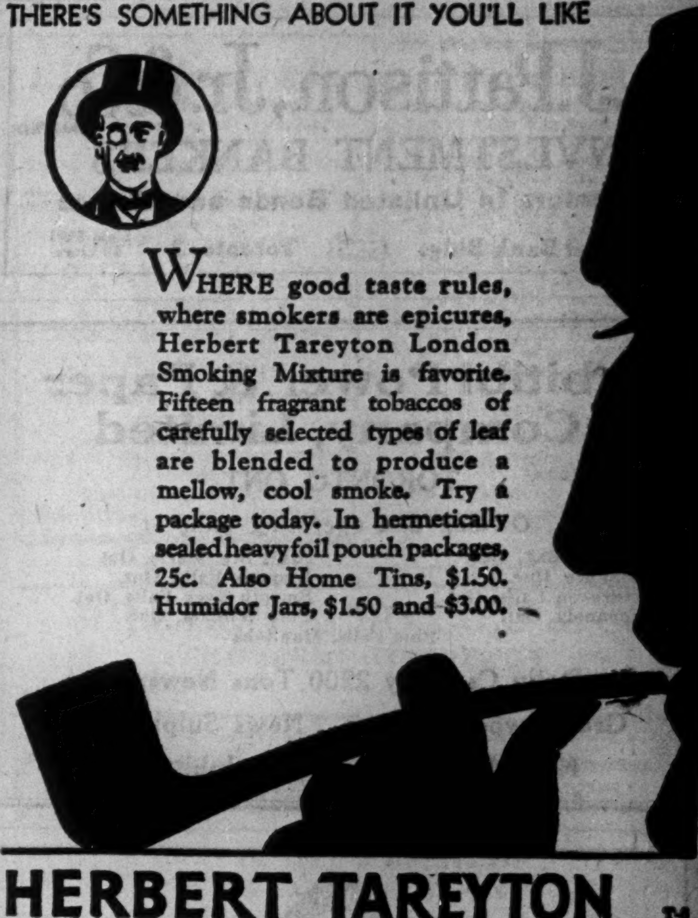

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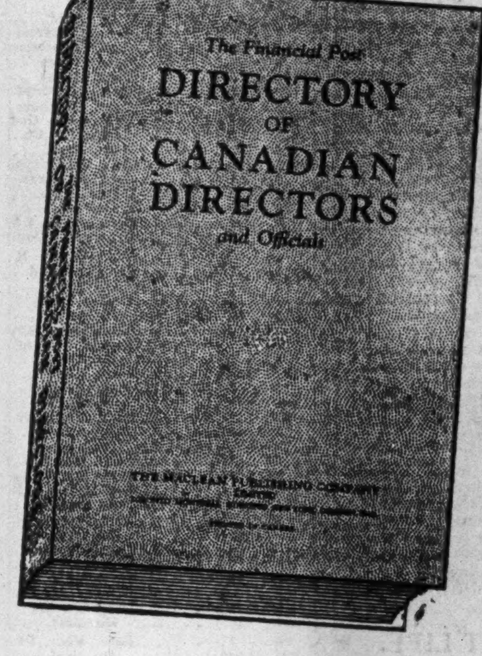

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING NOVEMBER 14

Weston Bisc.	70	65					
Do. pref.	10	3	7	10.4	21¾		
Windsor Hotel	38	10			5	70	67 67 67
Do. pref.	8	2			3		
Winnipeg Elec.	20	13			11¾		
Do. pref.	x46	46			115	3	3¼ 3¼ 3¼
Woods Mfg. p.	1	1			15		
Zimmerknit, c.					1		

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
° Plus final div. of 17½c paid March 31, 1932.
§ Plus 20c. extra payable Dec. 1.

SHAWINIGAN 1932 DIVIDENDS EARNED BY OCT. 1

Decreasing Expenses While Tax and Exchange Rates Increase

In declaring a dividend payable November 15 of 12 cents a share on the common stock for the quarter ended September 30, and another dividend of 13 cents a share, payable February 15, 1933, for the quarter ended December 31 next, Shawinigan Water & Power Co. states that dividends for the year were earned in the first nine months of operations.

Some recompense is expected in future for losses of income already incurred because of savings made by installation of new electric steam boiler plants. Further economies have been made in operating expenses, the saving in the first nine months as compared with the same period of 1931 being $298,748. Economies were even greater but increase in municipal taxation offset part of the savings, and the demands for United States exchange have been a heavy burden on the company.

Fixed charges during the third quarter showed an increase of $96,789, representing interest on the 5-year 6 per cent notes. Comparisons of nine months period of 1931 and 1932 follow:

Nine Months Ended September

	1932 $	1931 $
Gross revenue	9,442,285	10,234,841
Total expenses:		
General oper. & main. expense	1,641,364	1,998,608
Power purchased	1,037,035	1,012,385
Water rentals	239,030	235,083
Taxes and insurance	478,738	448,837
Net oper. revenue	6,046,117	6,539,925
Fixed charges	3,029,045	2,932,256
U. S. exchange	579,004	50,000
Surplus*	2,438,068	3,557,669

*Before depreciation and income tax.

Edmonton Council Shelves Proposal of Note Issues

Edmonton city council has shelved indefinitely a proposal to request the Dominion Government to issue currency at cost against provincial and municipal debentures to meet additional expenses caused by unemployment and to make funds available for productive works and improvements.

Members of the council expressed the opinion that the proposed measure was very wide in its scope and could not be passed upon without first obtaining considerable information. Members of the provincial commission investigating the bank act said they would not be able to express an opinion on the proposal for some months, but that it might be placed before the commission by the council.

Vanalta Oils Brings in Its Fifth Producer

Vanalta Oils has just brought in its fifth crude oil producer from the Red Coulee field in southern Alberta.

The new well was drilled on L. S. D. 4 section, 4 township, in range 16 west of the fourth meridian. Production was encountered at about the same horizon as the other wells or around 2,400 ft. depth. It is anticipated that production will be approximately 40 barrels of crude oil daily. In the company's fiscal year ended June 30, 1932, it had a crude oil production from three of its Red Coulee wells, totalling 29,865 barrels.

LOWER PRICES SEEN FOR HARVEST TOOLS

New Spring Catalogues Show Reductions Says Hardware and Metal

Manufacturers of harvest tools have issued their price lists to the hardware trade for the 1933 spring season, and these lists show widespread reductions in almost all lines of farm and garden tools. This is the second reduction made in these prices in two years, the list issued in November of 1931 having included reductions from previous prices. Some of the reductions this year are quite substantial. Another major change made in hardware prices is that on prepared roofing products. New booking prices, effective from November 14 to the retailer, show considerable revision. Items affected are building paper, saturated sheathings, felts, roll roofing and prepared shingles, states Hardware and Metal, Toronto.

Lower raw cotton prices have brought a reduction in cotton rope and certain sash cord prices. Lower prices are quoted in the Ontario territory on galvanized sheets and tinplate. Oil companies announce a reduction in trade prices of coal oil. One make of electric heating pad is reduced in price. Booking prices for poultry netting show no change from current quotations.

Wholesalers note much increased purchasing of gift merchandise by retailers, as preparations are made for the opening of Christmas buying. In some districts where wintry weather has already been experienced the sale of snow shovels, sidewalk scrapers, weatherstrip and anti-freeze is reported as very brisk.

GREAT WEST LIFE IMPROVES DIVIDENDS

Increase Greatest on Older Policies — Interest on Deposits 5%

A somewhat higher scale of dividends to participating policyholders for 1933 has been announced by Great West Life Assurance Co. of Winnipeg. The increase applies to all usual plans of insurance but will be most noticeable in the case of single premium policies, paid-up policies and policies which have been in force for considerable periods. Interest payable on moneys left with the company remain at 5 per cent and on single premium investment policies profits will continue to be computed on the 5 per cent basis.

Typical annual dividends payable at age 35 on leading types of main types of policy are shown herewith, comparative figures for 1932 and 1931 also being given. The 1931 figures are taken from Stone & Cox Insurance Tables, 1931.

Illustration of Annual Dividends (Payable as at Jan. 1)

	1933 $	1932 $	1931 $
Ordinary Life—			
1 Year in Force	6.16	6.07	6.53
10 Years in Force	6.86	6.21	9.46
20 Years in Force	8.00	6.60	*
20 Pay Life—			
1 Year in Force	5.64	5.52	6.14
10 Years in Force	6.25	5.19	10.47
20 Years in Force	6.66	4.16	*
20-Year Endowment—			
1 Year in Force	6.35	6.19	7.07
10 Years in Force	6.76	5.19	13.69
20 Years in Force	6.01	1.82	*

*Not available.

Winnipeg Stock Exchange

(Transactions for week to Nov. 12)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Nov. 12
4	6.7	Canadian Fire	4	60	60	60
..	....	Ford "A"	125	8½	7⅛	8¼
20	8.5	Great West Life	13	236	235	236
4	....	Home Investment	20	25	25	25
35c	12.7	North Star Oil pfd.	50	2¾	2¾	2¾
..	....	Prairie C. Oil	20	1	1	1
..	....	Reliance Grain c.	15	5½	5½	5½
..	....	Western Breweries	470	1	1	1
7	....	Western Grocers	25	12	11½	11½
..	....	Do., pref.	8	65	61	65
..	....	Winnipeg Electric, pfd.	5	12	12	12

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Sovereign Life 25% paid	10	..
Beaver Lumb. pf.	..	80	Traders Bldg. Assn	65	..
Can. Nat. Fire	14	..	West. St. Prod., pf.	..	30
City Dairy 7% pf.	..	50	Can. Amer. Tr. shs.	..	3
City Dairy 8% pf.	..	80	Fundamental Series "A"	..	3¼
Monarch Life 10% paid	15	..	Fundamental Series "B"	..	3⅜
Pelissiers pref	10	..	Grouped Inc. shs.	3.70	3.95
Nor. Can. Mtg. pf.	..	15			
Reliance Grain pf.	..	60			

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	Jan. 3	Dec. 15
Bk. of Nova Scotia	14%	3½%	Jan. 3	Dec. 16
Bk. Can. Nationale	10%	2½%	Dec. 1	Nov. 15
Bank of Montreal	10%	2½%	Dec. 1	Oct. 31
Bank of Toronto	10%	2½%	Dec. 1	Nov. 15
Borden's c. (No. 91)	$2	50c	Dec. 1	Nov. 15
Belding Corticelli pfd.	7%	1¾%	Dec. 15	Nov. 30
Canada Vinegars	$1.60	40c	Dec. 1	Nov. 15
Canadian Oil pref.	8%	2%	Jan. 2	Dec. 20
Can. Hydro-Electric 1st pfd.	6%	1½%	Dec. 1	Nov. 1
Cons. Divers. Std. Secs. 1st pfd.	...	25c	Dec. 1	Nov. 1
Can. Bank of Commerce	10%	2½%	Dec. 1	Oct. 31
Can. Silk Products "A"	$1.50	37½c	Dec. 1	Nov. 15
Crow's Nest Pass Coal	$6	$1.50	Dec. 1	Nov. 10
Collingwood Terminals pfd.	7%	†1¾%	Nov. 25	Nov. 15
Can. West. Nat. Gas pfd.	$6	$1.50	Dec. 1	Nov. 15
East. Theatres c.	$2	50c	Dec. 1	Oct. 31
Hollinger Gold	65c	5c	Dec. 1	Nov. 17
Do., extra	...	5c	Dec. 1	Nov. 17
Imperial Oil (coupon 35)	50c	12½c	Dec. 1	Nov. 15
International Milling pfd.	7%	1¾%	Dec. 1	Nov. 19
Do., pref. "A"	6%	1½%	Dec. 1	Nov. 19
Inter. Petroleum coupon (35)	$1	25c	Dec. 15	Nov. 30
Inter. Proprietaries "A"	$2.60	65c	Dec. 15	Nov. 25
Loew's London Theatres pfd.	7%	*5¼%	Dec. 31	Nov. 19
Laura Secord	$3	75c	Dec. 1	Nov. 15
Lindsay, C. W., pref.	6½%	1⅝%	Dec. 1	Nov. 15
Loblaw Groceterias "A" & "B"	80c	20c	Dec. 1	Nov. 12
Do., bonus	...	20c	Dec. 1	Nov. 12
McIntyre Porc. M.	$1	25c	Dec. 1	Nov. 1
Do., extra	50c	12½c	Dec. 1	Nov. 1
McColl Frontenac c.	60c	15c	Dec. 15	Nov. 15
Montreal Loan & Mtge.	12%	3%	Dec. 15	Nov. 30
National Biscuit	$2.80	70c	Jan. 14	Dec. 16
Do., pref.	$7	$1.75	Nov. 30	Nov. 15
N.S. Light & Pr. pfd.	$6	$1.50	Dec. 1	Nov. 19
Ogilvie Flour pref.	7%	1¾%	Dec. 1	Nov. 21
Provincial Bank	$8	$2	Dec. 1	Nov. 15
Petrol Oil & Gas	...	1c	Dec. 20	Dec. 1
Royalite Oil	...	$1	Dec. 15	Nov. 30
Rolland Paper, pfd.	6%	1½%	Dec. 1	Nov. 15
Royal Bank	10%	2½%	Dec. 1	Oct. 31
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 21
Siscoe Gold Mines	...	3c	Dec. 16	Nov. 30
West Canadian Hydro "A" c.	...	15c	Oct. 31	Oct. 28

*For the three-quarters of the year ending Dec. 31, 1931.
†In respect of arrears.

Dividends Passed or Deferred:
Brazilian Traction, Dec. 1 deferred. Last paid 2% stock dividend Sept. 1, 1932.
Canadian Car, com. Nov. 30, passed. Last paid 15c. Aug. 30, 1932.
Simon, H. & Sons, pref., Dec. 1, deferred. Last paid 1¾% Sept. 1, 1932.
Canada Bread pref. "B" Dec. 1, passed. Last paid 50c. Sept. 1, 1932.
Muirhead Cafeterias pref. Nov. 1, deferred. Last paid 25c July 1, 1932.
Consolidated Sand, pref., Feb. 15, to be deferred.
Standard Paving, pref., Feb. 15, to be deferred.

Dividend Rate Increased:
Crow's Nest Pass Coal, Dec. 1. Increased from $4 to $6 per annum.

Dividend Rate Reduced:
Provincial Bank Dec. 1, reduced from $9 to $8 per annum.

Extra Dividends:
McIntyre Porc. Mines, 12½c Dec. 1.
Loblaw "A" & "B" 20c. Dec. 1.
Hollinger Gold 5c. Dec. 1.

Listed Bond Quotations

Week Ending November 14

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Range, 1932 Low
Abitibi, 1st mtge.	5	1953	...	18	...	...	46	19¼
Asbestos	5	1942	...	21	...	...	65¼	49
Do., 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. debs.	5	1943	7.30	...	...	...	83¼	...
Cedars Rapids	5	1953	5.52	...	...	...	101	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	37½	37	...	50	39
McNish	6	1948	...	†3.50	...	...	3.50	1.00
Mex. L. & Pr.	5	1940	...	46	...	...	*73½	70½
Mont. LH&P deb.	3	1939	...	41½	41½	41	44	35
Mont. Tr. 1st mtg.	5	1941	5.20	96½	...	...	98⅝	90⅞
Mont. Trams. "A"	5	1955	6.45	81½	82½	82	85½	69½
Do., G. & Ref. "B"	5	1955	7.45	...	...	...	79¾	78¾
Do., "C"	4½	1955	6.43	...	...	...	77¼	77
Do., "D"	5	1955	6.62	...	...	...	81	78
N. S. Steel	5	1959	...	†78	...	...	*62½	59
Ontario Steel	6	1943	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada	6	1940	...	102	...	...	102⅞	100¼
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.	5	1935	...	80	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101¼	100
Steel of Canada	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.04	111.50	....	....	110.00	102.00
Victory Loan	5½	1933	4.15	101.25	....	....	101.55	100.25
Do.	5½	1934	4.35	101.90	....	....	102.40	99.25
Do.	5½	1937	3.70	108.00	108.37	108.20	109.75	104.00
Do., refund	4½	1940	4.56	98.75	....	....	98.25	91.50
Do., refund	5	1943	4.70	101.85	....	....	102.50	95.38
Do., refund	4½	1944	4.63	98.00	....	....	96.75	89.50
Do., refund	4½	1946	4.60	98.00	....	....	92.25	91.50
Conversion Loan	4½	1956	4.68	97.25	....	....	91.50	88.25
Do.	4½	1957	4.58	97.25	....	....	90.50	88.50
Do.	4½	1958	4.60	98.25	....	....	99.37	88.50
Do.	4½	1959	4.53	99.25	....	....	99.50	88.75
Nat. Service Loan	5	1936	4.44	101.85	102.00	....	102.25	96.25
Do.	5	1941	4.72	101.75	102.00	....	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

November 14, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Apr.	89.75	5.22
Alberta	5	1 July, 1943	1 Jan.	96.00	5.49
Alberta	6	1 Mar., 1947	1 Mar.	102.50	5.74
*British Columbia	4½	1 Oct., 1953	1 Apr.	91.00	5.21
*British Columbia	5	15 Jan., 1948	15 July	98.25	5.17
British Columbia	6	15 Feb., 1947	15 Feb.	102.50	5.74
*Manitoba	4	1 July, 1947	1 Jan.	83.00	5.70
*Manitoba	5	2 Dec., 1959	2 Dec.	96.25	5.26
Manitoba	6	1 Apr., 1947	1 Apr.	102.25	5.76
*New Brunswick	4	1 June, 1948	1 Dec.	91.65	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May, 1950	1 May	103.00	5.23
*Nova Scotia	4½	15 Nov., 1948	15 May	98.00	4.68
Nova Scotia	5	1 May, 1943	1 May	100.75	4.91
*Ontario	4½	1 Sep., 1944	1 Mar.	101.50	4.34
Ontario	5	15 Oct., 1948	15 Apr.	102.50	4.77
Ontario	5½	1 Feb., 1947	1 Feb.	105.50	4.96
P. E. I.	4	1 Apr., 1939	1 Apr.	94.50	5.00
P. E. I.	6	1 May, 1947	1 May	108.50	5.18
*Quebec	4½	1 May, 1961	1 May	103.00	4.07
Saskatchewan	4½	1 Oct., 1944	1 Apr.	87.00	6.04
Saskatchewan	5	1 Oct., 1950	1 Apr.	92.00	5.72
Saskatchewan	6	15 Mar., 1952	15 Mar.	99.25	6.06
*Newfoundland	5	31 Dec., 1952	31 Dec.	65.00	8.69
*Newfoundland	5½	1 July, 1939	1 Jan.	70.00	11.94
*Newfoundland	6½	30 June, 1936	30 Dec.	74.00	15.16
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	104.87	4.70
*Toronto	4½	1 Jan., 1955	1 Dec.	97.24	4.70
*Vancouver	5	15 Jan., 1970	15 July	95.92	5.25
Winnipeg	5	1 Mar., 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr., 1947	1 Apr.	90.70	6.50
Calgary	5	1 Jan., 1943	1 Jan.	87.50	6.67
Halifax	6	1 July, 1951	1 Jan.	109.00	5.24
Saint John	5	15 Dec., 1950	15 Dec.	98.00	5.17
Regina	4½	1 July, 1950	1 Jan.	76.77	6.75
Victoria	5	21 July, 1945	21 July	91.06	6.00
Quebec	5	1 June, 1948	1 Dec.	101.50	4.86

*Payable in New York.

Winnipeg Grain Prices

Week to November 15

Crop year from Aug. 1, 1932 High	Low		Open Nov. 9	High for week	Low for week	Close Nov. 15
		Wheat				
.53⅛	.45¼	Nov.	....	.49⅞	.46⅜	.47½
.63⅞	.44⅞	Dec.	.47⅞	.48½	.45⅝	.46⅞
.67⅜	.48⅞	May	.51¾	.52¼	.50	.50⅞
.54⅜	.49½	July	.53	.54⅜	.51¼	.51⅜
		Oats				
.26½	.22⅞	Nov.	.23⅞	.26½	.23½	.25½
.28⅞	.20⅞	Dec.	.22½	.24½	.21⅞	.23½
.29½	.22¼	May	.24⅞	.25⅝	.23⅞	.24½
.26	.25¼	July	....	.26	.25¼	.25¼
		Barley				
.32½	.27⅞	Nov.	.31½	.32½	.29⅝	.32½
.35½	.25	Dec.	.31⅞	.33⅜	.29⅞	.33⅜
.38½	.28⅜	May	.34½	.35½	.31⅞	.34½
.35¼	.32⅜	July	....	.35⅞	.32⅝	.34½
		Flax				
.78	.66	Nov.	....	.73½	.70½	.71½
.87	.66⅞	Dec.	.73	.73⅞	.70	.71⅜
.94	.71⅞	May	.79	.79½	.75½	.76½
.79⅞	.76½	July	.79½	.79½	.77¼	.77½
		Rye				
.31½	.26½	Nov.	.29⅞	.31½	.29½	.30⅞
.39⅝	.26½	Dec.	.31½	.33⅛	.29⅝	.31⅛
.42⅜	.30⅞	May	....	.36	.33	.34½
.37	.31⅜	July	....	.37	.34⅜	.35½

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers—Toronto

November 15, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.50	1.00
Acadia Sugar pf.	2.85	3.25
Acme Farmers Dairy pfd.	60.50	65.00
Acme Glove pfd. bonus com.	7.25	8.00
Agnew Surpass pfd.	65.00	70.00
Allens Beach pfd. bonus com.	32.50	....
Allens College pfd. bonus com.	32.50	....
Allens London pfd. bonus com.	32.50	....
Allens Toronto pfd. bonus com.	16.25	....
Allens St. Clair pfd. bonus com.	32.50	....
Allens, St. Catharines pfd. bonu c.	32.50	....
Andian Nat. Corp.	20.50	22.50
B. C. Pulp & Paper pfd.	4.50	8.00
Burns pfd. bonus com.	5.50	7.75
Can. & Dom. Sugar com.	20.00	21.50
Can. Mach. com.	1.50	3.00
Can. Mach. pfd.	11.00	20.00
Can. Packers c.	11.00	12.00
Can. Packers pf.	65.50	69.00
Can. Starch pf.	62.00	68.00
Can Tea pfd.	48.00	53.00
Can. Wire & Cable pfd. W. W.	73.00	75.00
Can. Industries com "A"	77.50	80.00
Can. Industries com. "B"	76.75	77.25
Can. Industries 7% pfd.	107.00	109.00
Can. West'house	38.00	40.50
Chase, A. W. units	....	21.00
Claude Neon Gen. Adv. units	17.75	21.50
Claude Neon Gen. Adv. com.	1.00	1.75
Crescent Creamery pfd.	61.50	70.00
Dom. Foundries & Steel com.	5.00	7.00
Dom. Foundries & Steel pfd.	65.00	71.00
Dom. Manufacturing pfd.	67.25	....
Dom. Manufacturing c.	7.50	....
Dunlop Tire 7% pfd.	41.75	44.00
Eastern Dairies Ltd. pfd.	63.00	....
Edmonton Stockyards Units	....	52.00
Fed. Grain pfd.	35.00	41.00
Gen. Steel Wares pfd.	6.50	7.50
Goderich Elevator & Transit	8.00	9.00
Greening Wire 7% pfd.	65.00	68.00
Guardian Realty pfd.	17.00	23.50
Guelph Carpet pfd. bonus c.	68.25	72.00
Guelph Carpet c.	3.50	....
Inter. City Baking c.	....	27.00
Inter. Proprietaries "A"	22.75	23.50
Langleys pfd.	30.50	40.00
Loew's Lond. c.	.50	.90
Loew's London 7% pfd.	3.25	4.00
Maple Leaf Gdns. pfd. bon. c.	2.50	3.00
Massey Harris pf.	15.00	16.00
Melchers Distilleries "A"	1.75	2.50
Mount Royal Hotel c.	.75	1.25
Mount Royal Hotel pfd.	5.00	7.00
Nat. Grocers c.	.90	1.50
Nat. Grocers 2nd pfd.	37.00	42.00
National Sewer Pipe c.	7.75	....
Neilson, Wm., c.	4.75	....
Provincial Paper 7% pfd.	40.00	....
Reliance Grain pf.	....	60.00
Rolland Paper pfd. W.W.	32.00	35.00
Standard Clay Products c.	15.50	20.00
Standard Fuel pfd. bonus	55.75	58.00
Supertest Petroleum "B"	17.00	20.00
Toronto Brick pfd.	....	38.50
Toronto Carpet c.	....	91.50
Toronto Carpet 8% pfd.	....	87.00
Toronto Elevators 7% pfd.	76.25	78.50
Toronto Hous. c.	13.00	22.00
Western Grain pfd. bonus	30.00	35.00
Willards Choc. pf.	....	21.50
Insurance Stocks:		
Br. Amer. Assce.	30.00	40.00
Canada Life Ass.	350.00	400.00
Can. Fire Ins.	60.00	65.00
Confederation Life 20% pd.	135.00	....
Continental Life 20% pd.	41.50	52.00
Crown Life Ins.	110.00	130.00
Dom. Fire Ins.	92.50	100.00
Dom. Life 50% pd.	260.00	285.00
Dom. of Can. Gen. Ins.	110.00	125.00
Excelsior Life 30% pd.	79.50	85.00
Fidelity Ins of Canada	....	69.00
Great West Life Assce	235.00	250.00
Guarantee Co. of N. A.	180.00	....
Halifax Fire Ins.	11.75	12.75
Imp. Life Assce.	242.00	260.00
Mfrs. Life Ins.	224.00	228.00
Monarch Life 10% pd.	18.00	22.00
National Life 25% pd.	65.00	70.00
Saskatchewan Life 10% pd.	11.50	16.00
Sovereign Life 25% pd.	14.50	20.00
Sun Life Assur.	340.00	380.00
Western Assce. c.	14.75	20.00
Western Life 20% pd.	8.00	....
Trust & Loan Stocks:		
Can. Gen. Invest. Ltd.	3.15	3.35
Chartered Trust	....	64.00
Deb. & Sec. pfd.	21.50	....
Eastern Can. Sav. & Loan	110.50	115.00
Eastern Trust	145.00	150.00
Guelph & Ont. Inv. par $50	45.00	51.00
Lambton Loan & Sav.	52.00	58.00
London & Western Trust	81.50	85.00
Investment Foundation Units	18.50	21.00
Mtge. Disc. pfd.	2.40	3.00
Mutual Fin. pfd.	....	2.25
Northern Trust	....	24.00
Premier Trust	85.50	88.00
Provincial Bank	95.00	100.00
Security Loan & Savings	94.00	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	52.00	57.00
Traders Fin. c.	1.00	2.00
Traders Fin. pfd.	26.00	33.50
Trusts & Guar.	47.00	49.50
Victoria Trust & Savings	170.50	....
Waterloo Trust & Savings	96.50	105.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	89.75	90.50
Calgary Pwr. 6% pfd.	69.00	71.00
Can. Light & Pwr. com.	18.00	20.00
Can. West. Nat. Gas LH&P c.	17.50	23.00
Can. West. Nat. Gas LH&P pfd.	69.00	71.00
Great Lakes Pwr. pfd.	....	67.00
Maritime Tel. & Tel. c.	10.75	11.75
Maritime Tel. & Tel. pfd.	10.75	11.75
N.B. Tel. c.	7.50	8.50
N.S. L&P pfd.	70.50	75.00
Recent London Quotations:		
Brewer Distillers		4s. 10½d.
Can. & For. sec.		3s. 9d.
Can. West. Lumber		9d.
Hudson's Bay		18s. 9d.
Do., 5%		70s.
Internat. Holdings		31½
Nfld. Pr. & Pap. deb. stock "B"		102½
Trust & Loan of Can.		2s. 6d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto

November 15, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	18.00	19.50
Acadia Sugar 6% 1946	83.00	87.00
Alta. Pac. Grain 6% 1946	83.00	86.00
American Sales Book 6% 1939	105.00	
Arnold Bros. 6% 1947	40.00	50.00
B. A. Oil 5% 1945	85.00	88.50
Canada Biscuit 6½% 1946	30.00	35.00
Canada Bread 6% 1941	87.00	
Canada Cement 5½% 1947	74.00	76.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	76.50	79.00
Can. Copper Refin. 6% 1945	95.50	98.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	82.00	84.50
Can. Vickers 6% 1947	72.50	75.00
Cons. Invest. 4½% 1959	43.00	
Cosmos Imp. Mills 6½% 1944	86.00	89.00
Davies, Wm., 6% 1942	87.00	90.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	
Dom. Tar & Chemical 6% 1949	64.00	66.00
Dom. Telegraph 5½% 1978 "A"	84.00	87.00
Dom. Textile 6% 1949	93.00	
Dom. Woollens 6% 1948	17.00	22.00
Donnacona Paper 5½% 1948		20.00
Eaton Realty 5% 1949	83.00	85.00
Famous Players 6% 1948	65.00	67.00
Famous Players 6½% 1948	48.00	52.00
Federal Grain 6% 1949	75.00	80.00
Fraser Co. 6% 1932	16.00	
Fraser Co. 6% 1950	17.00	
Galt Brass 7½% 1941	25.00	35.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	17.00	18.00
Gypsum, Lime & Alab. 5½% 1948	33.00	38.00
Harris Abattoir 6% 1947	86.00	
Howard Smith 5½% 1953	58.00	62.00
Loew's Toronto 6% Serial	95.00	100.00
London Realty 6½% 1950	52.00	55.00
Maple Leaf Milling 5½% 1949	56.00	60.00
Massey Harris 5% 1947	64.50	67.00
McColl-Frontenac 6% 1949	83.00	86.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	40.00	45.00
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	64.00	70.00
Price Bros. 6% 1943	31.00	38.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	70.00	75.00
Simpsons Ltd. 5½% 1949		63.00
Simpsons Ltd. 6% 1949		65.00
Steel of Can. 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	70.00	80.00
United Gas & Fuel 5½% 1948	54.00	57.00
United Grain Growers 5% 1948	75.00	80.00
United Grain Growers 5½% 1949	82.00	
Western Grain 6% 1949	67.00	72.00
Public Utility Bonds:		
Bell Telephone 5% 1955	108.00	110.00
Bell Telephone 5% 1957	108.00	110.00
B. C. Power 5% 1960	78.00	88.00
B. C. Telephone 5% 1960	91.00	94.00
Calgary Power 5% 1960	81.00	83.00
Can. Northern Pwr. 5% 1953	74.00	76.00
Duke Price Power 6% 1966	55.00	58.00
Elec. Develop. 5% 1933	111.00	
French Natl. Mail SS 6% 1952	116.00	120.00
Gatineau Pwr. 5% 1956	72.75	74.00
Gatineau Pwr. 6% 1941	60.00	62.00
Inter. Pwr. 6½% 1957	50.00	56.00
Maclaren Quebec 5½% 1961	71.00	74.00
Manitoba Power 5½% 1951	53.00	55.50
Montreal Isl. Pwr. 5½% 1957	98.00	100.00
Montreal LH&P 5% 1951	105.00	107.00
Montreal LH&P 5% 1970	104.00	105.50
Montreal Tram. 5% 1941 July	96.50	98.00
Montreal Tram. 5% 1955	82.00	83.00
Northwest Utilities 7% 1938	90.00	95.00
Ont. Pwr. Serv. 5½% 1950	79.00	81.00
Ottawa Valley Pwr. 5½% 1970	94.00	96.00
Quebec Power 5% 1968	87.00	92.00
Rio Tramways 5% 1935	85.00	87.00
Shawinigan W. & P 4½% 1970	70.00	72.00
Shawinigan W & P 6% 1937	85.00	88.00
Shawinigan W & P 5% 1970	80.00	83.00
Southern Can. Pwr. 5% 1955	93.00	95.00
West Kootenay Pwr. 5% 1956	86.00	88.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	98.00	98.75
C.N.R. 4½% 1957 Dom. Gtd.	98.00	98.50
C.N.R. 5% 1969 Dom. Gtd.	104.50	105.50
C.P.R. 4½% 1944	83.00	85.00
C.P.R. 5% 1954	93.00	96.00
C.P.R. 6% 1942	102.00	103.50
Dom. of Can. 5% 1936	101.25	102.50
Dom. of Can. 5% 1941	101.50	103.00
G.T.P. 3% 1962 Dom. Gtd.	77.00	78.00
G.T.P. 4% 1962 Dom. Gtd.	90.00	92.00
Ont. Hydro 5% 1939 Ont. Gtd.	100.00	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	90.00	91.00
Prov. of N.B. 5½% 1950	102.00	103.00
Prov. of Ontario 4½% 1944	100.00	102.00
Prov. of Ontario 5% 1948	101.50	102.50
Prov. of Ontario 5½% 1947	105.00	105.75

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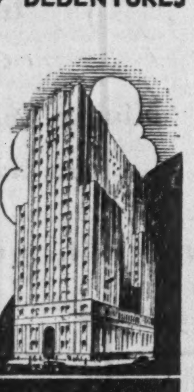

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JOHNSTON STORAGE DEFICIT IS HIGHER BUSINESS LOWER

Maintained Position in Unfavorable Period By Sharp Economies

Deficit account of Johnston National Storage, Ltd., Vancouver, B.C., advanced during the year ended July 31, 1932, from $8,588 to $9,117. Actual net profit for the year was $24,431, or $28,031 if $3,600 of cash surrender value accrued on life insurance policy is included.

Dividends of $10,938 were paid on the 7 per cent cumulative preference shares of which 2,500 shares are outstanding, $400 was provided for income taxes, $2,100 for bad debts, $3,219 for life insurance premium on life of Elmer Johnston and $11,903 for depreciation written off buildings and equipment.

Business Was Unfavorable

Report to shareholders states that business conditions during the year were very unfavorable. It was not only that there was a diminution in the volume of business but because of that rates were forced down to a point where the management had to choose between a total loss on some of its most valuable accounts or to perform the services at cost or even below. As a result of these tendencies gross earnings fell from $195,383 in 1931 to $174,897 in the last year. Sharp economies were made to meet this situation and as a result the deficit account was increased very little. No dividends were paid on common stock during the year.

Made New Departure

The company made a new departure in Western Canada by establishing a field warehousing service. A fumigating plant was also installed at the warehouse and this has had some effect in stimulating revenue. Actual year's deficit was $529.

Current assets were $48,617 and current liabilities $33,409. The largest item in current assets was accounts receivable, less reserve of $38,840, and in current liabilities the largest item was accounts payable of $23,838.

Appraised depreciated value of company's equipment as at June 11, 1929, with additions at cost, less depreciation, was $145,600 and on the same basis lands and buildings of $233,992.

Trade paper under discount of $255 is the only contingent liability shown. Dividends accrue on the 7 per cent cumulative preferred shares for the quarter ended April 1, 1932, and also for July 1, 1932.

REVIEWS PROS, CONS OF CENTRAL BANK

(Continued from page 9)

ket. Therefore, as we have explained, the central bank would have practically no control over the short term interest rates in the country. And the supply of securities which could be bought or sold in "open market" operations is strictly limited.

To this formidable armament of arguments, the adversaries of a central bank often add a eulogy of the existing banking system. This is really irrelevant because they do not realize that Canada's banking system may be perfect—the depositors' money may be safe, the clients may be satisfied with their loans, the investors may be content with their dividends—all these may be true and yet the monetary system of the country may be inadequate and uncontrolled. In their efforts to do a perfect banking business the banks, in the absence of central control, may at times be forced into bad monetary policy. To show that the Canadian banking system is better than that in other countries, or even to show that it is perfect, is not to prove that a central bank, or some change in the monetary system is unnecessary.

Kisch and Elkin say of our monetary system: "The lack of a central bank is now exceptional in advanced countries . . . . Canada still retains ten chartered banks with the right of note issue, but the system has not precluded a serious depreciation in the Canadian dollar in 1929, and it is not one that any country in process of reorganizing its currency and banking methods has thought proper to adopt."

To this may be added the fact that the system did not preclude a much more serious depreciation in 1931-32. For this state of affairs neither the banks, the Treasury Board, nor the Finance Department, have apparently felt any responsibility (or taken any credit) whatever. Indeed practically the only official recognitions of the situation were frequent but fruitless incantations to conjure up the ghost of a departed gold standard.

No Stabilizing Machinery

It has also been urged, in the two preceding articles of this series, that a Canadian central bank ought to be chiefly concerned with the actual and probable movements of the exchange rate. Canada's official monetary policy has been one of fixed exchange rates with other gold standard countries. But she has had no machinery with which to make this policy effective. Indeed the Finance Act has probably been operating in the opposite direction.

Thus the real spearhead of the argument in favor of the central bank lies, not in the wickedness of existing monetary control, but in the lack of it. Even Willis and Beckhart, in an authoritative book on "Foreign Banking Systems" which gives high praise to the Canadian system, admit that "in fact there is probably little attempt to formulate a conscious policy of credit control . . . . The chartered banks, it is true, do have more or less mechanical rules to guide them. And to a certain extent they are guided by the credit policies of the Bank of England and the Federal Reserve Banks."

Protagonistic Claims

The central bank's protagonists claim that, in the public interest, conscious control must be instituted; hampered though it may be by the antagonism or jealousy of the existing banks, and by the inadequacy of the existing financial institutions of the country. If it lacks the power of persuasion in the financial field and even if its discount rate policy is ineffectual, there is still the possibility of varying, within limits, the basis of credit by open market purchases and sales of securities. And, lastly, the Canadian exchange rate and Canadian foreign borrowing need a great deal more supervision than they have in the recent past.

The institution could do no harm, they claim, and it might do a great deal of good. The cost would not be very great; indeed, since central banking is usually remunerative, one might say there was no cost at all to the banks, the government or the public—whichever subscribed the capital. And there is no reason why the profits upon Dominion note issue should not continue to accrue to the government following the practice which exists in England.

Author's Point of View

Thus the argument proceeds, from point to counterpoint. The writer of these articles has made a sincere effort, in the nine months during which they were in preparation, to discover and present the arguments, favorable and unfavorable, as fairly as possible. If he were asked to summarize his own conclusions, which must in some degree have colored his presentation, he would do it as follows:

Leading statesmen, economists and financiers are increasingly agreed that the world's economic troubles are in part due to the faulty workings of the world's monetary systems. They are also beginning to agree that monetary remedies may, at times, be effective in curing economic ills; but that the effects of these remedies are much more beneficial if they are applied internationally. Therefore it is desirable that every country, interested in making the existing economic order as efficient and as just as possible, should take a firm hold upon whatever monetary powers are available.

Regarding our own situation from this point of view, the writer believes that the monetary powers available in Canada are limited both in number and effectiveness. These powers lie, however, in the hands of the chartered banks. These institutions have demonstrated their strength and stability as commercial banks during the past three years, but being commercial banks they are not primarily interested in guiding the country's monetary and currency policy.

Refuse Responsibility

It is possible that the powers might have been used to better advantage in the past. It is more than likely that, with the growth of knowledge and experience of currency and exchange rate problems, they could be used to good effect in the future. But with important exceptions, the leading Canadian bankers not only refuse to accept the responsibility for using the powers, but deny that they exist.

If Canadian bankers were more conscious of the existence of currency problems a central bank might be quite unnecessary. If they were less strong, or less efficient in the field of commercial banking, it might be a dangerous innovation. But, on balance, the writer believes it would be possible to devise a Canadian Central Bank of whose foundation he would approve. The constitution of that bank would follow the lines and heed the warnings set out in these articles. The business of that bank would be, first to investigate the problems and then to supervise and guide Canadian policies regarding currency, foreign borrowings and the foreign exchange rate.

Whatever is done or left undone, we may rest assured that someone will remain dissatisfied. But out of the jumbled range of arguments which we have traversed in these articles five peaks stand out clearly.

The first is, our existing money system is unsatisfactory, at least partly on account of the Finance Act. This act runs contrary to the principles of the straightlaced gold standard. For it allows laxity and expansion to the figure of Canadian credit.

Second, if no central bank is founded and the Treasury Board is not reorganized as a committee of independent financial experts, it is to be hoped that the chartered banks will in the future assume the responsibilities of running the monetary as well as the banking system of the country.

Third, Canadian monetary policy must be thought of in terms of the exchange rate and foreign borrowing rather than in terms of attempts at direct manipulation of the volume of currency and credit. Control of the Finance Act must therefore be seen as a means to this end.

Fourth, if parliament decides, now or in the future, that a Central Bank shall be founded, legislation is only the first step. The law car supply the body; but the responsibility would remain with all the financial institutions of the country to supply the life through unselfish co-operation with the new institution in the wider interests of the Canadian public.

Lastly, if a central bank is founded it will be of little, if any, benefit to us in 1933. If it were founded immediately it should be on its feet, accumulating useful experience and making useful experiments by 1938. And by 1943, if it had succeeded in attracting into its service men of vision and ability, it might be the cornerstone of Canadian finance and one of the props of a more permanent prosperity than we have been able to achieve in the past.

Editor's Note. — This is the seventh and final article in a series, "Does Canada Need a Central Bank?"

INTER. MILLING CO. EARNINGS DOWN, POSITION STRONG

(Continued from page 9)

crease in inventories from $4,706,390 to $6,209,271. Instead of the cash item a year earlier of $1,811,034 there was on August 31, 1932, cash of $1,084,351 and Dominion of Canada bonds at market value of $578,200. Accounts receivable, less reserves, advanced during the year from $1,286,753 to $1,531,492.

Investments (in subsidiary company) are shown at $2,100,308, an advance of about half a million dollars, made up in great part of a new item of $415,074 for first mortgage six per cent sinking fund gold bonds at cost, plus accrued interest. There was an increase in the item of non-operating properties, less depreciation, from $71,673 to $130,805 and of miscellaneous advances and investments from $204,016 to $257,984. Investment in the Lake and Rail Warehouse and Elevator Corp. is shown at $1,296,445, an advance of nearly $60,000 during the year.

Exchange Provision Large

Among the current liabilities there is an item of notes payable of $1,813,927 and a reserve of $402,132 for Canadian exchange on net current assets of Canadian subsidiaries. This item did not appear at all a year earlier and it practically represents the whole difference between the current liabilities at the outset and at the end of the year. Accounts payable are down from $1,130,667 to $971,617.

Contingency Reserves Enlarged

Fixed assets dropped during the year from $7,995,231 to $7,835,190 and the reserve for maintenance and depreciation advanced during the year from $1,857,409 to $2,008,962, all of it being accumulated in the last decade. At the beginning of the year there was a contingent reserve in respect of possible additional federal income taxes of $156,000, for other contingents of $55,508 and for insurance funds of $84,584. At the end of the year the contingent reserve for possible additional federal income tax on profits of Canadian subsidiaries, payable only on distribution thereof, was $213,000, for other contingencies was $178,087 and for insurance funds $97,720.

Through operation of the sinking fund the seven per cent preferred stock dropped from $3,606,300 to $3,515,800 and the six per cent preferred stock from $946,100 to $917,800. There are 100,000 shares of no par value common stock outstanding which makes the rate of dividend earned during the year $8.28 per share before adjustments.

A note to the balance sheet states that drafts on customers discounted, foreign drafts and bills of exchange sold, and notes discounted or endorsed, stated on basis of United States exchange, amounted to $686,646, the only contingent liabilities reported.

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October Wheat Exports Totalled 40,192,415 Bus.

Total exports of wheat from Canada in October were 40,192,415 bus. compared with 18,925,303 bus. in the same month last year. For the three months ended Oct. 31, total exports were 85,356,484 bus. compared with 45,170,048 bus. in the same period of 1931, according to a report issued by the Dominion Bureau of Statistics.

Total wheat flour exports in October were slightly lower than in October, 1931, at 527,794 bbls. compared with 558,459 bbls. last year. Total exports of wheat flour for the three months ending October 31 were also lower than in the previous year, being 1,244,289 bbls. compared with 1,637,202 bbls. in 1931.

In the three months ended Oct. 31, total exports of barley declined from 4,266,147 bus. in 1931 to 3,034,641 bus. in 1932 while exports of oats and rye both increased during the period. Exports of oats were 3,990,512 bus. compared with 2,530,087 bus. in 1931 and exports of rye were 2,024,099 bus. compared with 700,290 bus. in the same three months of 1931.

Loew's London Theatres Will Pay on Preferred

Improvement in earnings is indicated for Loew's London Theatres Ltd. in the declaration of a dividend of 52½ cents on the $10 par value preferred stock which wil pay up all arrears of preferred dividends to the end of 1931. Payment will be made December 1 to shareholders of record November 19.

In the year ended January 2, 1932, the company earned 81 cents per share on the preferred and during 1931 paid out 8¾ per cent in dividends or 87½ cents. No dividends were paid during 1930. Some encouragement was given that earnings might be sufficient to make further payment on account of arrears for the current year.

Galt's 1930 Retail Sales Amounted to $5,241,800

There were 220 retail stores in Galt in 1930 with sales of $5,241,800 and 75 service establishments with $354,100 receipts, making a total retail trade of more than $5,500,000. The 220 stores employed 665 persons who received $613,900 pay.

The food group had 77 establishments with $1,640,000 sales, 194 employees and payroll $149,400. Seven automobile dealers alone did a business of $473,600. In the amusements group five establishments had receipts of $103,700.

Glace Bay Retail Trade Was $3,467,700 in 1930

The retail trade of Glace Bay, N.S. in 1930 amounted to $3,467,700. There were 208 retail stores employing 341 persons who were paid $258,100. The food group did the largest amount of business with 138 retail stores, sales of $1,153,500, staff of 91 and payroll of $56,000.

There were 47 service establishments with receipts of $212,100, staff of 57 and payroll of $38,600. The census population of Glace Bay was 20,706.

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Mining Stock Quotations

Week Ending November 14

Par Val	Range High	1932 Low	Company	Sales	Close Nov. 7 (or last)	High for week	Low for week	Close Nov. 14
1	.06	.03	Abana	500	.04½	.04½	.04½	.04½
1	.03	.00½	Aconda	.....	.01	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
No	.20	.04	Algoma	21,000	.04½	.05	.04	.04
1	.09	.00¾	Alexandria	25,200	.02	.02	.01¾	.02
1	.01½	.00½	Algonquin	4,000	.00½	.00½	.00½	.00½
1	.01½	.00½	Amity C.	.....	.00½	.....	.....	.....
No	.36	.06	Amulet	5,300	.19	.20	.17½	.19
1	.00½	.00½	Apex	.....	.00½	.....	.....	.....
1	.04	.01	Area	.....	.02½	.....	.....	.....
No	.03½	.00½	Arno	26,000	.02½	.02½	.02	.02
1	.02½	.02	Astoria Rouyn	.....	.02½	.....	.....	.....
1	.07	.02½	Bagamac	1,000	.03	.02½	.02½	.02½
1	.01½	.00½	Baldwin	.....	.01	.....	.....	.....
1	.12	.03	Barry Hollinger	9,850	.03½	.05	.04	.05
No	1.45	.30	Base Metals	200	.90	.94	.86	.94
No	.12	.01	Bidgood	14,000	.01½	.01½	.01½	.01½
1	.21	.04	Big Missouri	3,200	.14	.15	.14	.15
1	.11½	.02	Bobjo	34,050	.08	.09½	.07½	.09½
1	.23	.02½	Brett Trethewey	6,700	.15½	.15½	.14	.15½
No	.03	.00½	Brownlee	1,200	.01½	.01½	.01½	.01½
1	.01	.00½	Buckingham	.....	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	.....	.02½	.....	.....	.....
No	.04	.01	Bunker Hill	5,500	.01½	.02½	.01½	.02½
5s	1.03	.10	B'Wana McKubwa	.....	.80	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	.....	.01	.....	.....	.....
No	.04	.02	Canam Metals	.....	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	11,500	.02½	.02½	.02½	.02½
1	.09	.00½	Canusa	8,000	.03½	.04	.03½	.04
No	.02½	.00½	Capital Rouyn	2,000	.00½	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	31,100	.03	.03½	.02½	.03½
1	.21½	.09	Castle Trethewey	4,000	.17	.18	.15½	.15½
1	.09½	.04	Cen. Manitoba	700	.06	.06	.06	.06
1	.17	.02	Cen. Patricia	21,225	.13	.17	.14	.16½
No	.07½	.01½	Chibougamau Pros.	1,000	.04	.05	.05	.05
No	.02	.00½	Clericy	5,500	.01	.01	.01	.01
5	5.00	.45	Coast Copper	420	3.00	3.25	2.75	3.00
1	.02½	.00¾	Cobalt Contact	.....	.01½	.....	.....	.....
No	.16	.15	Cobuc	.....	.15½	.....	.....	.....
1	.14	.03	Columario	12,000	.11	.11¾	.11	.11
5	2.00	.60	Coniagas	205	1.00	2.00	1.00	2.00
No	.50	.23	Coniaurum	500	.25	.25	.25	.25
25	102.00	25.00	Cons. Smelters	1,485	70.00	74.25	68.50	73.00
No	13.25	9.00	Dome Mines	5,210	13.05	13.15	12.60	12.65
No	.10	.02	Dom. Explorers	9,700	.04	.04½	.03¾	.04
	.00¾	.00½	Dominion Kirk.	.....	.00½	.....	.....	.....
1	.04	.00½	Don Rouyn	.....	.02	.....	.....	.....
	.04	.02½	Duparquet	.....	.02½	.....	.....	.....
1	1.60	.76	Eldorado	7,055	1.27	1.35	1.25	1.32
No	2.40	.47	Falconbridge	4,360	1.93	1.95	1.85	1.90
1	.04	.00¾	Federal	500	.01	.01	.01	.01
No	.00½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	.....	.01½	.....	.....	.....
1	.03	.00½	Goldale	.....	.01½	.....	.....	.....
10	.24	.05½	Goldfield	.....	.22	.....	.....	.....
1	.00½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.04	.02½	Goodfish	3,000	.03	.03	.03	.03
1	.03½	.00½	Graham	.....	.01½	.....	.....	.....
1	1.25	.50	Granada	5,150	.79	.82	.77	.82
1	.22	.05	Grozelle	.....	.05	.....	.....	.....
1	.03½	.01	Harker	.....	.02	.....	.....	.....
1	.01½	.00½	Hilltop	1,000	.00¾	.00¾	.00½	.00½
5	5.80	4.25	Hollinger	3,395	5.25	5.35	5.10	5.35
1	.72	.26	Howey Gold	13,225	.56	.58½	.50	.57
No	5.30	.92	Hudson Bay	5,331	4.45	4.30	3.80	4.20
No	.30	.13	Huronian	600	.25	.30	.30	.30
No	13.50	4.00	Int. Nickel	24,706	9.87	10.25	9.25	9.87
1	.01¾	.00½	Jackson Manion	.....	.00½	.....	.....	.....
1	.25	.19	Keeley	.....	.20	.....	.....	.....
1	.02½	.00½	Keora Mines	5,000	.01½	.01½	.01½	.01½
1	.70	.40	Kirk. Hud. Bay	.....	.50	.....	.....	.....
1	.02½	.00½	Kirk. Hunton	.....	.00½	.....	.....	.....
1	.55	.19	Kirkland Lake	4,865	.29½	.30	.26	.26
1	.03½	.00½	Kirkland Premier	22,000	.01½	.02	.01½	.01½
1	.15½	.05	Kirk. Townsite	1,700	.13½	.13½	.13	.13
20c	.01½	.00½	Koot. Florence	.....	.00½	.....	.....	.....
1	.01½	.00½	La Rose	.....	.01½	.....	.....	.....
1	.41	.10	Lakeland	500	.15	.10	.10	.10
	.29	.10	Lake Maron	63,610	.25	.28	.10	.17
1	30.25	24.10	Lake Shore	3,170	29.40	29.75	29.40	29.70
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro	2,000	.01½	.01	.01	.01
1	.41	.13	Macassa	13,600	.18	.19½	.18	.18
1	.07	.02½	Malartic	3,000	.03½	.04½	.03½	.04½
1	.04	.00½	Malrobic	154,500	.02½	.02½	.01	.01½
No	.08	.02	Mandy	1,000	.07	.04	.04	.04
No	.02	.00½	Manitoba Basin	17,500	.01½	.01½	.01	.01½
5	21.35	14.70	McIntyre	4,946	20.20	20.75	19.50	19.60
1	.35	.25	McKinley	.....	.30	.....	.....	.....
No	.09½	.02½	McLeod River	39,000	.03	.03½	.03	.03½
No	1.85	.58	Mining Corp.	1,960	1.32	1.35	1.25	1.30
1	.08½	.01½	Moffatt Hall	18,000	.01½	.01½	.01½	.01½
1	.02½	.02	Moneta	.....	.02	.....	.....	.....
1	.45	.19½	Moss	8,700	.25	.26	.23	.23
1	.02½	.00½	Murphy	4,000	.00½	.00½	.00½	.00½
No	.06½	.01	Newbec	22,900	.04	.06	.04	.06
5	1.48	.50	Nipissing	2,000	1.10	1.15	1.14	1.14
No	23.25	12.50	Noranda	11,375	20.00	20.85	19.50	20.15
No	.39	.10	Nor. Canada	2,000	.30	.30	.29	.29
No	.01	.00½	Old Colony	1,000	.00½	.00½	.00½	.00½
1	.09	.05	Osisko	.....	.05	.....	.....	.....
1	.17	.07	Parkhill	5,000	.10	.08½	.08	.08½
1	.13½	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk.	.....	.01½	.....	.....	.....
No	1.25	.35	Pend Oreille	2,100	.60	.75	.67	.68
1	.01½	.00½	Peterson Cobalt	.....	.00½	.....	.....	.....
1	4.70	3.00	Pioneer Gold B.C.	200	4.25	4.34	4.10	4.10
1	.00¾	.00½	Porcupine Crown	.....	.00¾	.....	.....	.....
1	.02	.00½	Potter Doal	2,000	.00½	.00½	.00½	.00½
1	.12	.12	Powell Rouyn	.....	.12	.....	.....	.....
1	.75	.32	Premier Gold	1,400	.55	.62	.50	.62
1	.00¾	.00½	Preston E. Dome	.....	.00¾	.....	.....	.....
No	1.18	.15	Prospectors Air's.	4,700	1.05	1.10	1.00	1.00
No	1.00	1.00	Quebec Pros.	.....	1.00	.....	.....	.....
No	.10	.03	Quemont	40	.07	.04	.04	.04
1	.02½	.00½	Ribago	18,500	.01½	.01½	.01½	.01½
1	.02½	.01	Ritchie	1,000	.01	.01½	.01½	.01½
1	.02½	.00½	Robb Montbray	2,000	.01½	.01	.01	.01
1	.70	.25	San Antonio	3,033	.56	.59½	.56	.58
1	.09	.07½	Seven Troughs	.....	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	17,912	.47	.49	.40	.49
1	1.00	.50	Siscoe	32,210	.85	.87	.82½	.83
1	.06½	.00½	South Keora	13,000	.03½	.05½	.04	.05
No	.02½	.00½	Stadacona	27,000	.01½	.01½	.01½	.01½
1	.17	.05	St. Anthony	.....	.06	.....	.....	.....
No	.90	.16	Sudbury Basin	1,600	.57	.62	.55	.62
1	.02½	.00½	Sudbury Contact	.....	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines	2,000	.00½	.00½	.00½	.00½
1	.22	.07	Sullivan	2,300	.15	.14½	.14	.14
1	.87	.39	Sylvanite	9,410	.68	.71	.65	.70
1	.07	.01	Tashota	56,000	.03	.03	.02½	.02½
1	5.25	3.05	Teck Hughes	15,360	3.35	3.40	3.30	3.32
1	.07½	.02	Thom Cadillac	3,000	.05	.06	.02½	.02½
1	.40	.10	Towagmac	500	.17	.17	.17	.17
1	3.00	1.01	Treadwell	.....	1.05	.....	.....	.....
1	.09½	.02	United Kirkland	.....	.05	.....	.....	.....
1	.12	.00½	Vacuum Gas	40,500	.08½	.08½	.08	.08½
No	1.10	.16	Ventures	24,875	.71	.75	.69	.72
1	.18	.04	Vickers	1,500	.13	.13	.13	.13
1	.45	.20	Vipond	4,100	.20	.22	.20	.22
No	1.01	.25	Waite Ackerman	.....	.50	.....	.....	.....
1	.08	.01	White Lake	500	.04½	.04	.04	.04
1	.01	.00½	Wiltsey Coughlan	.....	.01	.....	.....	.....
	.10	.04½	Wood Kirkland	.....	.05	.....	.....	.....
No	3.15	2.00	Wright-Hargreaves	12,795	2.86	2.95	2.84	2.88

OIL STOCKS

Par Val	Range High	1932 Low	Company	Sales	Close Nov. 7 (or last)	High for week	Low for week	Close Nov. 14
No	.19	.07½	Acme Gas & Oil	5,800	.12½	.13½	.11½	.11½
1	1.17	.60	Ajax	200	.72	.80	.80	.80
1	.18	.04½	Alta. Pacific	.....	.08	.....	.....	.....
1	.03½	.02	Askalta	.....	.03½	.....	.....	.....
No	.20	.02	Associated	1,025	.07	.07½	.07	.07½
No	.09	.01	Baltac	.....	.02	.....	.....	.....
	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	.....	.35	.....	.....	.....
1	.15	.04	Calmont	1,000	.06	.05	.05	.05
1	.14	.03	Common. Pete	1,100	.06	.06	.06	.06
No	.40	.05½	Dalhousie	400	.16	.20	.20	.20
No	.01	.01	Devenish	.....	.01	.....	.....	.....
No	.02	.00½	Dome Oil	.....	.00½	.....	.....	.....
No	.16	.04	East Crest	.....	.07	.....	.....	.....
No	.01½	.01½	Fabyan Pete	.....	.01½	.....	.....	.....
No	.25	.05	Foothills	.....	.15	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02	High Sarcee	.....	.02	.....	.....	.....
No	.85	.18	Home	.....	.34	.....	.....	.....
No	.05	.01½	Homestead	.....	.01½	.....	.....	.....
1	.50	.09	Homestead O. & G.	75,600	.20	.22	.17½	.19½
1	.01	.00½	Illinois Alberta	.....	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	.....	.00½	.....	.....	.....
No	.10	.04	Lowery	.....	.10	.....	.....	.....
No	.02	.00½	Madison	.....	.00½	.....	.....	.....
1	.32	.05½	Mayland	.....	.17	.....	.....	.....
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.18	McLeod	.....	.18	.....	.....	.....
No	.10½	.06½	Mercury	.....	.07½	.....	.....	.....
No	.22	.04½	Merland	500	.15	.12	.12	.12
No	.15	.08½	Mill City Pete	.....	.08½	.....	.....	.....
1	.20	.12½	Model	.....	.13	.....	.....	.....
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14	.01	Nordon	3,800	.09½	.09½	.09	.09½
No	.06	.02	Oil Selection	3,000	.03½	.04	.03½	.04
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.	.....	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	500	.17	.19	.19	.19
No	.20	.02	Penn. Pete	568,734	.10½	.17½	.10	.13
No	20.00	20.00	Perfection Pete. Pfd.	.....	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	1,000	.15	.15	.15	.15
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00½	Regent	.....	.00½	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	9.85	3.95	Royalite	708	6.75	9.00	6.50	9.00
1	.29½	.05	Sarnia Oil	7,000	.12	.12	.10	.11
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
No	.12	.05	South West Pete.	.....	.05	.....	.....	.....
1	.20	.10	Spooner	.....	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	.....	.12	.....	.....	.....
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02½	.00½	Wainwell	4,800	.01½	.01½	.01½	.01½

VANCOUVER STOCK EXCHANGE
(Transaction for Week to November 8)

Par Val	Range High	1932 Low	Company	Sales	Close Nov. 7 (or last)	High for week	Low for week	Close Nov. 14
25c	.00½	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.05½	.03½	Beaver Silver	.....	.02½	.....	.....	.....
25c	.04	.01	Bluebird	1,000	.04	.01	.01	.01
No	.81	.50	Bralorne	655	.66	.70	.65	.65
1	.12	.04	Bridge River Cons.	7,000	.05	.05	.04¾	.04¾
25c	.01½	.01	Cork Province	.....	.01	.....	.....	.....
1	.13	.02	Cotton Belt	.....	.02	.....	.....	.....
1	.01½	.01½	Dalhousie Mines	.....	.01½	.....	.....	.....
1	1.00	.15	George Copper	1,200	.46	.50	.45	.50
50c	.02	.01	Geo. Enterprise	.....	.01	.....	.....	.....
1	.05	.01	Georgia River	21,500	.03½	.03½	.03	.03½
1	.35	.10	Golconda	.....	.18	.....	.....	.....
50c	.08	.02	Grandview	1,800	.03½	.03½	.03	.03½
1	.01	.00½	Independence	.....	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	.....	.01	.....	.....	.....
1	.15	.08	Inter. Coal	5,000	.09½	.15	.14	.15
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	.....	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	.....	.01½	.....	.....	.....
5c	.12	.04	Metaline Metals	.....	.06	.....	.....	.....
1	.03	.00½	Morton Woolsey	125	.00½	.01½	.01½	.01½
50c	.03½	.00½	National Silver	7,000	.01½	.01½	.01½	.01½
50c	.08½	.02	Noble Five	8,000	.03	.03	.02½	.02½
50c	.01	.00½	Oregon Copper	.....	.00½	.....	.....	.....
1	4.60	3.00	Pioneer Gold	1,320	4.30	4.24	4.15	4.20
50c	.08½	.02	Porter Idaho	1,000	.04	.04½	.04½	.04½
No	.01	.00½	Premier Border	.....	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	300	.20	.18	.18	.18
1	.63	.21½	Reno Gold	19,275	.61	.60	.57	.59
1	.02½	.01	Rufus Argenta	.....	.01¾	.....	.....	.....
1	.05	.02	Ruth Hope	.....	.02	.....	.....	.....
1	.05	.02½	Silverado	.....	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	.....	.01	.....	.....	.....
50c	.02½	.00½	Snowflake	6,000	.00½	.00½	.00½	.00½
1	.79	.25	Sunloch	.....	.25	.....	.....	.....
20c	.02½	.01	Wellington	.....	.01	.....	.....	.....
1	.06½	.00½	Whitewater	2,000	.04½	.04	.04	.04

DIVIDEND PAYERS

Company	Rate	Yield %	Company	Rate	Yield %
Ajax Oil	12c.	....	Petrol Oil	1c.	....
Coniaurum	3c.	....	Premier	12c.	19.35
Dome Mines	$1+10c.	8.69	Pioneer, B.C.	12c.	2.92
Hollinger	65c.+10c.	....	Royalite	$1.50	....
Howe Sound	40c.	....	Siscoe	3c.	....
Lake Shore	$2+50c.	8.41	Sterling Pac. Oil	2½c.	....
McIntyre	$1.50	7.65	Sylvanite	4+½c.	6.42
McLeod Oils	5c.	....	Teck Hughes	60c.	18.07
Merland Oil	2½c.	....	Wright-Har.	10+2½c.	4.34
Noranda	50c.	2.48			

Canadian Mining News

HOLLINGER MINES IS TO PAY SECOND BONUS OF 5 CENTS

Total Disbursement For 1932 to Be 75 Cents, Amply Earned

Hollinger Consolidated Gold Mines has declared its regular dividend of 5 cents a share plus a bonus of 5 cents a share, both payable Dec. 1, 1932, to shareholders of record November 17.

The disbursement of this dividend will bring the total payments in 1932 to 70 cents per share, which with another 5 cents disbursement due the latter part of December will make the total disbursements for 1932, 75 cents per share as compared with 70 cents paid last year. The company paid one bonus of 5 cents per share on July 14, making the bonus paid this year, 10 cents per share as compared with 5 cents last year. Earnings for the first six months of the current year were equivalent to 40 cents a share before depreciation, which with a total recovery of $2,630,944 for the three months ended September 30 indicates that dividends are being safely earned. Incidentally the third quarter of the current year was the highest reported this year both with respect to tonnage and to value, the mill averaging 4,873 tons daily as compared with 4,500 tons for 1931.

Francoeur Uncertain

At the Francoeur Gold Mines in Boischatel township, Quebec, which Hollinger has an option for controlling interest, exploration work is proceeding. In midsummer a Diesel engine-driven mining plant was installed and a shaft sunk approximately 100 ft. but due to mechanical trouble, shaft sinking has been suspended in favor of further surface exploration work. This is reported to have disclosed several parallel veins on the eastern section of the company's holdings adjoining the Arntfield Gold Mine property. While work is proceeding it is said to be indefinite as to whether or not Hollinger will continue its option on Francoeur.

ARNTFIELD MINES PLANS EXPANSION PRODUCTION NEAR

New Shaft Calls For New Equipment, Aldermac May Mill Ore

Arntfield Gold Mines in Boischatel township, Quebec, plans an immediate expansion to its mining facilities to permit development to a depth of 1,000 ft.

Negotiations are under way for electric power from the Canada Northern Power Co. and as an alternative the company is considering a steam driven or Diesel engine-driven plant. The power line crosses the company's property and is available from the Aldermac mine sub-station about one and a half miles distant.

The company owns approximately 1,867 acres or about three and a half miles along the strike of the ore zone with surface prospecting at each end disclosing ore. The shaft has been sunk to the 210 ft. horizon, about 1,500 ft. east of the western boundary of the company's property and about 2,500 ft. of drifting carried out on this level. The main mineralized zone is from 100 to 200 ft. wide containing lenses of gold ore up to 30 ft. in width.

Preparations are now being made to bring the property into production. A main production shaft is being raised from the 210 ft. level to the surface about 1,700 ft. east of the prospect shaft. With new and larger mining equipment installed further development can be aggressively undertaken and it is planned to open up the 100 ft. level to prove the upward extension of the ore found on the 210 ft. horizon.

The company's ore is of a siliceous nature desirable for fluxing and it is understood that negotiations have been under way with the Noranda Mines for its treatment. To be desirable to Noranda as a fluxing ore, assurance would first have to be given that a sufficient tonnage was available to warrant considering it as a source of fluxing ore and revamping the flow sheet in the smelter.

Aldermac Mill Available

The Aldermac mill is but one and a half miles away and it is understood this company has made overtures to Arntfield to treat its ore. This would necessitate Aldermac making some additions to its mill equipment. Such a deal would necessitate ore being trucked from Arntfield property to the Aldermac mill but the short distance would prevent heavy charges. The third alternative for Arntfield is to install its own mill.

The company is centrally located with respect to power, railway and highways, all of which cross its property and the Noranda smelter is but 13 miles distant.

To date, the company has been financed by Pittsburgh and New York interests, and while the company's progress has been slow due to money stringency it is free from any indebtedness and is finding sufficient funds to carry on.

Natural Gas Production Rose During September

Canadian production of natural gas in September amounted to 1,157,682 thousand cubic feet as compared with 911,982 thousand cubic feet in August and 1,512,228 thousand cubic feet in September, 1931. Cumulative production from January to September was 17,569,739 thousand cubic feet, as compared with 18,747,334 in the same period last year.

The drilling into production of the Northwestern Utilities Harvey No. 2 well in the Kinsella field, Alberta, was an important development in September. It is reported that this well has an open flow of 19,000 thousand cubic feet of dry gas.

Decline In Zinc Product

The Canadian output of zinc in August declined to 13,732,634 pounds as compared with the July production of 15,206,916 pounds and the August, 1931, total of 19,198,018 pounds.

Bids For Beattie Power Show Private Interests Lower For Initial Load

Uncertainty Regarding Profitable Treatment of Ore Big Factor

PROBLEMS TO SOLVE

Duplication of Lines Saved if Can. Northern Acted as Distributor For Hydro Power

The battle for power supremacy in the northern mining area waxes warmer as opposing interests, the Ontario Hydro and the Canada Northern Power Corp., bid for the Beattie Gold Mines power contract.

Canada Northern Power Corp., owing to its willingness in the past to pioneer the fields as they came into prominence, has held a virtual monopoly, but it is having its domain challenged by Ontario Hydro with cheap power for sale from the Abitibi Canyon development.

Many interesting angles are presented owing to the Beattie being the first big contract for mine power to come up. Canada Northern offers its standard contract, the same as enjoyed by the producing mines of Northern Ontario and Quebec, for power at $50 per h.p. per year for the initial block of 5,000 h.p. At this price Canada Northern delivers the power to the mine site at 12,000 volts necessitating only the usual operating transformers. Initial power is available from the Waite Ackerman sub-station about 12 miles distant. The Hydro proposes to supply power to the Quebec boundary at approximately $30 per h.p. for the initial block of 5,000 h.p., Beattie Gold Mines to construct the line from the Quebec boundary to the mine, a distance of some 20 miles. In addition, adjustments are to be made for line and transformer losses. Beattie must construct a sub-station to transform the power from 110,000 volts to a usable voltage.

Hydro Requires Long Line

As will be seen from the map shown elsewhere on this sheet, the nearest point of contact with the Abitibi Canyon development is Iroquois Falls, some 60 miles west of the inter-provincial boundary.

While a superficial examination would indicate that there is a wide spread in the offers, a close examination shows that for the initial requirements the Canada Northern offer is the cheaper, which provokes the question as to what the ultimate requirements of Beattie Gold Mines may be.

If opposing power interests could be drawn together, a solution that would seemingly work out to mutual advantage would be for Hydro to sell Canada Northern a block of power and allow that company to distribute it to Beattie. This would permit Canada Northern to profit by utilizing its transmission lines and eliminate the heavy construction costs, on the part of Hydro, of a transmission line that in effect parallels the existing lines.

The Beattie development is in charge of Ventures Ltd. which owns controlling interest while finances are being provided by the Nipissing Mining Co. If and when all options are exercised, Nipissing will have approximately a 38 per cent interest in the development. Ventures directors, including Major-General D. M. Hogarth and Colonel C. D. H. MacAlpine, are well known because of their political affiliations as well as their past activities in mining. Ventures' officials have estimated the Beattie ore zone as containing 5,390,000 tons of gold ore averaging $3.07 per ton. The richer section showed $3.54 per ton. These estimates were derived from two series of diamond drill holes along the main zone and were confirmed by Nipissing engineers who are apparently satisfied with the potentialities the property offers.

Beattie is Experiment

By some usually well informed mining men the development of the Beattie property is viewed with a great deal of interest not only for the attempt being made to bring into production a lower grade ore body than heretofore thought commercial in Canada, but also because of mining and metallurgical problems presented. There is not any unanimity of opinion as to the commercial aspect of the project. In the first place, there is conjecture as to what the average grade of milling ore will be though indicated by diamond drilling at $3.07 per ton. It is known and conceded by well informed mining men that dilution will be a serious factor and usually not less than 10 per cent is allowed from the estimated grade. Recovery per ton can be increased above the estimated grade, however, if mining operations are confined to the narrower and higher grade sections of the deposit with the corresponding decrease in the available tonnage. Also, some engineers view with a certain amount of alarm the metallurgical problems presented. it being believed that the ore will have to be roasted as it is of an arsenical nature. The roasting of the ore itself presents no unusual problem as it will only be the concentrates that are roasted, which will be in an approximate ratio of one ton of concentrate to 25 tons of ore. A problem, however, that has not been settled is the disposal of the poison fumes from the roasting and its probable effect on the adjoining timber limits.

Whatever may be the problems and limitations, the commercial aspects of the Beattie property will be largely determined by the initial mill unit of 600 tons daily capacity now being installed and planned for operation next spring. While this initial unit is rated at 600 tons capacity, it is conceivable that it could treat 1,000 tons daily, but in any case the initial power required would not be in excess of about 2,500 h.p.

The genius of Canadian mining engineers has been displayed in the past and while the problems presented by the low grade Beattie ore are not believed insurmountable, they do present certain aspects that have an important bearing on power.

If all the factors incidental to the economic development of Beattie are successfully worked out and a profit results, there is little doubt but that the programme willl be stepped up to tonnages far in excess of that treated by the largest gold producers in Canada today. On the other hand, if the solution is not found so readily as anticipated, 5,000 h.p. or even 2,500 h.p. may be ample for the project.

Power 12 Miles Away

Canada Northern Power Corp. has a 12,000 volt line at the Waite-Ackerman-Montgomery property, sufficient to provide power for initial operations delivered to the Beattie property within three weeks. Under the terms of the Canada Northern proposal Beattie would only have to install the operating transformers which for a 5,000 h.p. sub-station would not exceed $25,000 or $30,000.

Under the Hydro proposal Beattie would have to build a transmission line from the Quebec boundary, a distance of 20 miles, involving a cost of around $140,000. In addition, it would cost between $150,000 and $160,000 to install a 5,000 h.p. 110,000 volt sub-station to provide power at an operating voltage. This would mean initially a capital expenditure of at least $300,000. In addition, Beattie would have to pay the premium on the usual bond demanded by Hydro to indemnify it for the construction of the Ontario side of the power transmission line, in case Beattie did not fulfil its contract. On the basis of one per cent this would cost another $4,000. Thus, without consideration of such items as adjustment of transmission and transformer losses 2,500 h.p. initially would cost Beattie approximately $380,000 for the first year. Over a five-year period on the same basis the cost would total approximately $700,000.

Under the Canada Northern proposal Beattie's only initial expense would be for the operating transformer sub-station costing some place between $25,000 and $30,000, which would bring the cost of 2,500 h.p. at $50 per year to $155,000 for the first year, or a total of $655,000 for five years. Thus, for a period of five years, on the basis of initial operations the Canada Northern proposal is still the most attractive and the question must be decided on the economic importance of the Beattie development and the chances for realization of the dreams of its sponsors.

Another factor that has an important bearing on the placing of the power contract is the approval of the administrative powers of the Province of Quebec, regarding the necessity for importing Hydro power.

The Quebec government secures approximately $6 per h.p. in taxes from the Quinze development of the Canada Northern Power Corp. By permitting the entry of Hydro the major portion of these taxes would be lost to the province and it is probable that Beattie would have to show it has urgent need of this imported power before imported power would be permitted.

Incidentally, the raising of the question of imported power provokes a controversial subject far-reaching in effect. Can the provinces of the Dominion in effect, set up protective barriers between the provincial boundaries. Ontario at present purchases enormous quantities of power from Quebec with further obligations under contract. If Quebec interferes in the Beattie deal the problem of power becomes even more complex than the already involved proposal.

Sullivan Blocking Out Ore On 250 Ft. Level

Sullivan Consolidated Gold Mines developing a property on the east shore of Lake Dubuisson, Quebec, adjoining the Siscoe Gold Mines, have issued a progress report showing that since the installation of the Diesel engine-driven mining plant in July, new work completed totals 1,147 ft. of which 603 ft. was in October.

In 1929 the previous operators sunk a shaft to a depth of 275 ft. and did about 1,050 ft. of lateral work on the 250 ft. level. This, with the new work on the "A" vein, indicates approximately 360 ft. of commercial ore with the probability that this length will be extended as development work proceeds.

Work is being aggressively conducted with funds provided by Ventures Ltd., toward blocking out positive ore.

McKINLEY MINES CO. SHOWS $196,735 LOSS

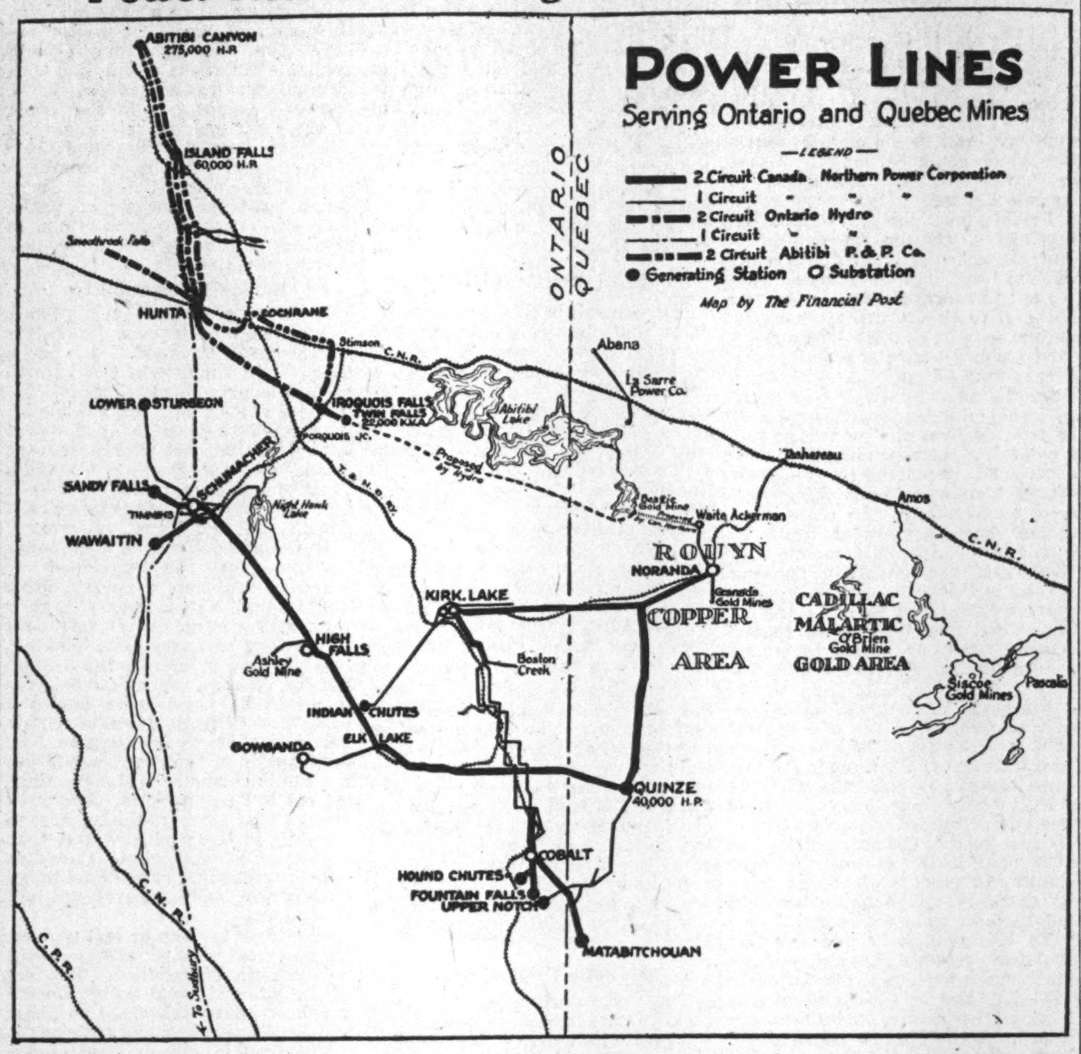
The annual report of McKinley Mines Securities Co. for the fiscal year ended December 31, 1931, showed a net loss of $196,735 as compared with a net loss of $28,933 in the previous year.

Gross income amounted to $32,463 as compared with $22,754 in the past year. Administration and general expenses amounted to $9,990 as compared with $6,551 in the previous year. Loss on investments after adjusting book values to market values was $149,209 last year as compared with $45,136 the previous year.

The balance sheet as at December 31, 1931, showed current assets of $426,869 as compared with $486,570 in the previous year. Current liabilities were shown at $85,916 as compared with $8,900 the previous year. The net working capital on December 31 last, was $350,953 as compared with $477,670 at the end of the previous year.

R. Home Smith, vice-president of the company, states that a valuation of the company's securities places a value of 70 cents per share on the 551,931 shares outstanding.

Power Network Serving The Northern Mines



This map clearly indicates the transmission lines of the Canada Northern Power Corp. serving the existing mining camps. By the extension of the 12,000 volt line from the Waite Ackerman Montgomery property power could be made available in three weeks time for the Beattie Gold Mines. The paralleling lines from the Abitibi Canyon development to Hunta were made necessary owing to Hydro requiring independent circuits for the Sudbury service. The other parallel line from Abitibi Canyon to Hunta was for the Power Service Corp. to supply power for the electric system boilers of Abitibi Power & Paper Co. at Iroquois Falls and Smooth Rock Falls. Neither of these boiler installations is being proceeded with at present. The third parallel line from Island Falls to Hunta is the original circuit of Abitibi Power & Paper to serve its Iroquois Falls plant.

Commercialize Radium? "No No" Says McLennan

Learned Professor Pleads Development of Great Bear Lake Radium Must Not Be Commercialized But Does Not Solve Lower Cost Riddle

In the course of a lecture at Convocation Hall, Toronto, on November 12, Prof. J. C. McLennan, formerly head of the Department of Physics, University of Toronto, departed from his address on "Newly Discovered Radiations from Atomic Nuclei" to plead for the conservation of the Great Bear Lake radium deposits for suffering humanity.

"It must not be commercialized," said the learned professor.

While the public has a high appreciation of the scientific achievements of Prof. McLennan, his reference to the Great Bear Lake radium deposits not being commercialized has left some doubt as to just what he meant. In the realms of science Prof. McLennan is an accepted authority but in the realm of economics his opposition to the commercialization of Great Bear radium will not receive such ready acceptance. He should explain his ideas more fully.

Prof. McLennan has had the privilege in and out of the laboratory of witnessing the benefits of radium emanation in the cure of certain diseases. It would seem to many that, if Great Bear radium is to be made available to the greatest extent for suffering humanity, it must be speedily commercialized on as large a scale as possible in order to bring the cost of production to the lowest possible point, and thereby make increasing amounts available for the medical profession. Whether or not the government or private individuals, undertake the development of Great Bear radium is not regarded as the important question at all by these people.

It will be recalled that early this spring General A. D. McRae, the genial senator from Vancouver, proposed that the Federal Government take over and finance the development of Great Bear Lake radium for suffering humanity. The storm of protest over General McRae's attempt to have the Government take over from the individuals and firms who had made the discovery and were efficiently developing the find came from every corner of Canada.

If the deposits develop into the importance that is at present believed, Canada and suffering humanity in Canada as well as elsewhere will be provided with an abundance of radium at no greater cost than present prevailing prices. Canada is also assured of first call on this production.

Any suggestion of confiscation as proposed by General McRae and supported by Prof. McLennan, may have a reactionary effect by preventing capital going into the area to develop finds already made. Engineers who have made a study of the situation believe that the solution to cheap radium for Canada is to commercialize the deposits as quickly as possible. By getting capital in the field, without any threat of government interference, they think the greatest possible production can be obtained and cost reduced to make increasing amounts available for treatment of cancer and some other diseases.

Canadian Marble Winning Favorable Recognition

One of Canada's Little Known Mineral Resources Under Review

Canadian marble is beginning to win for itself the recognition it deserves among Canadian architects and builders. In past years large quantities of marble have been imported into Canada chiefly from United States, either from Tennessee or Vermont, because Canadian architects have not specified the domestic product. This has made it difficult for Canadian marble quarries to get established.

In the Bancroft area of Ontario there are known to exist large deposits of marble, tinted and figured in a singularly beautiful fashion. The difficulty in introducing Canadian marble has not been from lack of variety or quality, but rather to the inability of a Canadian producer to show or guarantee any quantity of a particular kind that would justify Canadian architects and builders placing contracts. Marble is a product of nature that varies greatly in its natural state, not only as to texture, but also as to color, and architects insist that blocks be quarried out available for inspection before placing contracts.

Old Property Reopened

Without orders and lacking capital it has been almost impossible to launch the industry on a sufficiently substantial basis to attract attention. An important step taken in Ontario, a little over a year ago, at the old Hoidge quarry near Bancroft, Ont., when a group secured an important marble contract from the new Royal Ontario Museum in Toronto, under bond to produce quantities and colors required. This contract has now been filled and represents one of the finest examples of the product of Ontario marble quarries. It has also been responsible for establishment of the Maple Leaf Marble Quarry Co. on a basis that will enable it to compete with the foreign product.

This, one of the most important marble quarries in Ontario, has an interesting history. Before the war a young British engineer negotiated with the then owner of the quarry with a view to financing and launching the industry on a substantial basis. At that time the quarry owner had become involved with the banks and the British group had almost consummated the deal when the young engineer lost his life in the Empress of Ireland disaster. Before negotiations could be resumed war was declared and the project was dropped. It was not until about two years ago that the courts gave a clear title to the property which enabled the Maple Leaf Co. to negotiate for its purchase.

Under early development approximately $200,000 was spent in opening up this quarry and constructing a mill to cut and polish the slabs. The present company has spent a considerable sum in rehabilitating the old mill and operations are now turning out a product which compares favorably with the imported marble.

Production Increasing

In years past various important buildings have been supplied with Canadian marble among which may be mentioned the Standard Bank Bldg. and St. Paul's Church in Toronto, and the Parliament Buildings at Ottawa. But for the most part the marble has been imported. In 1931 the value of imported marble was $339,025. A very large portion of this was in rough blocks and unpolished slabs; the sawing and polishing being done at the various plants throughout Canada. In 1931 the value of marble quarried in Canada amounted to $725,474.

The value of the marble quarried for ornamentation and building far exceeds that for other purposes but the tonnage marketed in the form of terrazzo chips, stucco dash, whiting substitutes and artificial stone forms the greatest tonnage.

Ontario's marble is well known for its wide range and handsome varieties, but the principal production in 1931 was from the Wallace Sandstone Quarry at Phillipsburg, Que. The Winnitoba Marble Co., of Winnipeg, also produces marble from its quarry on the Inward branch of the Canadian National Railways, 100 miles north of Winnipeg. British Columbia too has a quarry and mill at La Blanche station, eight miles north of Kootenay Lake, where a white and bluish grey marble is quarried by the Canadian Marble and Granite Works.

Interest Awakened

The recent large increase in the use of marble in Canada coupled with the prospect of an increasing demand in the future has awakened interest in domestic deposits and it only remains now to expand the recognition won.

There is a tariff of 35 per cent on imported marble sawn but not polished. This with the premium on United States funds is helping to bring increasing consideration to the Canadian product.

Authorities familiar with the varieties available throughout Canada state that they compare in every respect with the imported variety. The difficulty has been that while Canada possesses a wide variety it has not been quarried and available for inspection to buyers who insist on knowing the supplies available. Now that progress has been made in introducing the Canadian product and with a fine example to show in the new Royal Ontario Museum it is anticipated that there will be a greater disposition on the part of architects to specify the Canadian product.

Eldorado Ore Sent to Trail $11,001 Gross

Eldorado Gold Mines has received a smelter settlement from its initial shipment of silver ore from its Great Bear Lake property equivalent to $11,001 gross, including $803 premium on U. S. funds.

This initial shipment left Echo Bay, Great Bear Lake in August by water route to Waterways, Alberta, the head of steel for Northern Alberta Railway. From there it was shipped by rail to the Consolidated Mining & Smelting Co.'s smelter at Trail, B.C.

The gross weight of the shipment was 21,490 lbs., approximately 10¾ tons, containing 38,433 ounces of silver—an average of 3,577 ounces per ton, having a gross value of $1,230 per ton.

The net return to Eldorado after deducting all smelting and transportation charges from Waterways to Trail and calculating recovery on 97 per cent of the assayed value was $10,495. Freight charges from Echo Bay to Trail amounted to $2,130 or $198 per ton. Of this $160 was water transportation from Echo Bay to Waterways and $38 per ton from Waterways to Trail.

Return Not Representative

The net return per ton of ore shipped, after deducting all smelting and transportation charges, was $816.27.

It is difficult to arrive at the cost of mining and bagging the ore since simultaneously the company was mining and bagging radium ore and conducting exploration work. Furthermore the cost of $160 per ton water transportation is doubtless higher than will prevail when greater tonnages of ore are shipped.

At the company's radium refinery at Port Hope, Ont., construction is nearing completion and the plant will soon be in operation; in fact the preliminary treatment of some of the ore is already in progress and it is anticipated that before the end of the year radium from Great Bear Lake ore will be a reality.

Parkhill Gold Finds Good Ore On Fifth Level

Parkhill Gold Mines which started operations in the Michipicoten area about 15 months ago continues to meet with success in its development programme and recent advices state that the No. 2 vein on the fifth level shows an improvement over any levels above, with heavy mineralization and free gold. The south cross cut showed the vein to be of good width and drifting operations are to start at once.

Production for the three months ended Sept. 30, 1932, was the best since the company commenced operations. A recovery of $47,929 was made from 3,202 tons of ore treated, which is equivalent to an average recovery of $15 per ton. The total value of production for the nine months ended Sept. 30, 1932, was $126,217 as compared with $17,377 for the five months the mill was in operation in 1931.

Royalite Oil Declares Further Dividend of $1

Royalite Oil Co., the principal operator in the Turner Valley field, Alberta, has declared a dividend of $1 a share payable December 15, 1932, to shareholders of record November 30. This brings a total disbursement for 1932 to $1.50 per share as compared with 50 cents per share paid in 1931.

Total disbursements since dividends were inaugurated in 1926 have amounted to $3.75 per share, disbursing $1,750,000 to shareholders.

GRANBY REPORTS OPERATING PROFIT BEFORE RESERVES

Third Quarterly Statement Reflects Further Cut in Income

The quarterly report of Granby Consolidated Mining, Smelting & Power Co. for the three months ended September 30, 1932, showed a net loss of $283,878 after depletion of $127,916 as compared with a net loss of $220,081 for the second quarter and $272,107 for the first quarter of 1932.

The following tabulation shows operating profit less write-offs for the third quarter together with the total for the nine months period for 1932.

	3rd qu. 1932 $	9 mos. 1932 $
Operating profit	40,995	184,845
Less: Deprec.	196,957	590,871
Loss	155,962	406,026
Less: Depletion	127,916	370,042
Net loss	283,878	776,078

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